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The Impact of Brand Owner on Consumers' Brand Perceptions: a development of Heider's Balance Theory

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Doctor of Philosophy

ASTON UNIVERSITY

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Priscilla Yuen-Lan, CHAN, Doctor of Philosophy, 2005

Thesis Summary. Studies have shown that the brand "owner" is very influential in positioning the brand and when the brand "owner" ceases his or her active role the brand will be perceived differently by the consumers. Balance Theory (HBT), a cognitive psychological theory, studies the triadic relationships between two persons and an entity and predicts that when a person's original perception of the relationship is disturbed, the person restructures to a new balanced perception. Consequently, this research was undertaken to

- conceptualize the brand owner's impact on consumer's brand perception,
- test the applicability of both the static and dynamic predictions of the Heider's Balance Theory in brand owner-consumer-brand relation (OCB),
- construct and test a model of brand owner-consumer-brand relation, and
- examine if personality has an influence on OCB.

A discovery-oriented approach was taken to understand the selected market segment, the ready-to-wear and diffusion lines of international designer labels. Chinese Brand Personality Scale, fashion proneness and hedonic and utilitarian shopping scales were developed, and validated. 51 customers were surveyed. Both traditional and extended methods used in the Balance Theory were employed in this study. Responses to liked brand have been used to test and develop the model, while those for disliked brand were used for test and confirmation. A "what if" experimental approach was employed to test the applicability of dynamic HBT theory in OCB Model.

The hypothesized OCB Model has been tested and validated. Consumers have been found to have separate views on the brand and the brand owner; and their responses to contrasting ethical and non-ethical news of the brand owner are different. Personality has been found to have an influence and two personality adapted models have been tested and validated. The actual results go beyond the prediction of the Balance Theory. Dominant triple positive balance mode, dominant negative balance mode, and mode of extreme antipathy have been found. It has been found that not all balanced modes are good for the brand. Contrary to Heider's findings, simply liking may not necessarily lead to unit relation in the OCB Model.

Brand owners make use of their resources to create a holistic brand, enable new product development, facilitate brand extension, sustain the brand over time and assist in integrated marketing communication. However, results from this study show that activities performed by the brand owner will easily affect consumers' brand perception. It is very easy to pull down a successful brand, but very difficult to rebuild it. When something happens to the brand owner, maybe to cause a bad reputation, the whole range of business will be affected. Brand owners and marketers have to calculate the reputation risk. Marketers have to evaluate carefully whether they should build the brand portfolio under the umbrella of the corporate name or separate brands should be built. In addition, marketers have to plan for strategies when the brand owner has ceased to play an active role.

Keywords: brand positioning, consumer behaviour, Heider's Balance Theory,

Results from this research have produced the following works:

Chan, Priscilla Y.L., John Saunders, Gail Taylor, and Anne Souchon; Exploring Brand Personality Dimensions for Chinese Customers, Proceeding of the 32nd EMAC Conference, Marketing Responsible and relevant? Glasgow. May 20-23, 2003. Paper 5.8.3, pg. 132, 8 pgs.

Chan, Priscilla Y.L., John Saunders, Gail Taylor, and Anne Souchon; Brand Personality Perception – Regional or Country Specific? European Advances in Consumer Research, 2003, Vol. 6, pg. 300-307.

Chan, Priscilla Y.L.; John Saunders, Gail Taylor, and Felix Brodbeck; Exploring Brand Owner-Consumer-Brand Model; Proceeding of the 33rd EMAC Conference, Murcia, Spain. May 18-21, 2004. (CD-ROM)

Dedicated To: GOD

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“The most important thing Armani clothes give me is a kind of security. When I have to face an audience, God knows how many doubts I have, and when I wear his clothes, I have no more doubts,” Sophia Loren.

Chapter One

Introduction

1.1 Overview

The focus of the project is to examine the brand owner's impact on consumers' brand perception. The purpose of the project was to construct and test a model of brand owner-consumer-brand relationship using Heider's Balance Theory (1946, 1958): a cognitive psychological theory. This theory was selected because it has proved to be robust and predictive in other contexts and is based on the three way relationships which are of high relevance here. While other theories only study two way relations.

This theory is normally used to study interpersonal relations and here it has been tested in brand marketing. This study concerns 2 persons and an entity; the consumer, the brand owner, and the brand. Balance theory is a theory of 2 persons and an entity. Consumers' perceptions of the brand owner and of the brand in the attitude (sentiment and value), and unit relation aspects have been tested with the theory. A brand personality scale has been applied to analyse the effect of perceived personality of the brand owner and that of the brand on

consumers. In addition, the impacts of actions of brand owner on consumers' brand perception and consumers' characteristics have been investigated.

This introductory chapter presents a brief summary of the research project, the research objectives, the research hypotheses and the order of the chapters in this thesis to show the development and conclusion of the research.

1.2 The Research Project

Empirical studies (Armstrong and Yu 1996; Crainer 1995) and examples, such as Richard Branson for Virgin, have shown that the brand "owner" is very influential in positioning the brand, and when the brand "owner" ceases his active role the brand will be perceived differently by the consumers (Marsh 2001; Menkes 2001; Rossant and DeGeorge 1997). Brand "ownership" is particularly important for fashion goods. Symbolic interaction and aesthetic perceptions form the basis of the luxury fashion industry (Leigh and Gable 1992). The personality, image and lifestyle of the fashion **brand "owner"** are believed to have serious impact on the positioning of the brand in the eyes of the consumer. Giorgio Armani, for example, is the brand "owner" and the fashion director who will direct not only the signature and image of the collection, but also the display, advertisement and the packaging of the products. He has a strong impact on his brands Giorgio Armani, Armani Collezioni, Emporio Armani and A/X Armani Exchange.

The fashion business is characterized by retail prices, approximately 487% of ex-factory costs¹, and international fashion brands are able to bring a premium price. Some fashion brand owners position the brands in person, and successfully extend their brands into different segments such as perfume, cosmetics, furniture, etc.

¹ Interviews conducted on 6 December 2000 with an influential manufacturing entrepreneur in the Hong Kong fashion industry, who is also the chairman of two important trade associations. He mentioned that in general the retail price of a personal computer is around 87% ex-factory costs versus around 487% for a fashion garment.

Positioning is in the mind of the prospect (Hooley, Saunders, and Piercy 2004; de Chernatony 2001; Ries and Trout 1986) and is a brand-segmenting strategy (Kapferer 1992). It is part of the brand identity and value proposition that is to be communicated actively to the target audience and that demonstrates an advantage over competing brands (Aaker 1996). It is the created image that occupies a meaningful and distinct competitive position in the target customers' minds (Hooley, Saunders, and Piercy 2004; Kotler, Wong, Saunders, and Armstrong 2005).

A crucial part of brand image is brand personality, which is "the set of human characteristics associated with a brand" (Aaker 1997). These personalities are the sum of emotional "added values" that the product of the brand carries over and above its inherent quality and obvious functional purpose (McWilliam and de Chernatony 1989). Sirgy (1982) shows that consumers seek brands with personalities that are congruent with either their own or their sought-after ones and use a brand's personality to help to define, both for themselves and for others, their sense of self (Belk 1988).

What is the relationship between the brand owner, the brand and the consumer? Will the brand owner have an impact on consumers' brand perception? Will different actions taken by the brand owner generate different responses? Will different consumer characteristics affect their responses? Will personality have any influence on the consumers' perception of the brand and brand owner?

Consumers select from a "brand space of availability", a personal brand space in which to live (Biel 1993, p.67). They develop relationships with the brands with which they are familiar which go far beyond their functional aspects (Babin, Darden, and Griffin 1994). It is a common phenomenon in the brand's literature to describe the brand as a person, suggesting that the relationship between the brand and the consumer can be analysed as an interpersonal relationship (Heilbrunn 1995). Blackson (1993) treated the brand as a relationship partner, and Fournier (1998) considered consumer and brand as two partners in a dyadic relationship. Heilbrunn (1995) studied the branding process as a triadic

relationship between the brand, the company and the consumer, using a narrative approach.

Balance Theory is a cognitive psychological theory proposed by Heider (1946, 1958) to study attitudes and interpersonal relationships. This theory studies the triadic interpersonal relationships and cognitive response between three parties, two persons and an entity. It can be used to analyze both the attitude (sentiment and value), and unit relation² aspects of the three parties. Unlike other studies that study only 2 parties in the static mode. It is a simple three-point model and has both static and dynamic parts. In the dynamic part, this theory predicts that when a person's original perception of the relationship is disturbed, the person restructures to a new balanced perception.

Similar to the Balance Theory, this research project has sought to examine the triadic relationship between the brand owner, the brand and the consumer. It has also been concerned with two persons, namely the consumer and the brand owner, and an entity - the brand.

The Heider's Balance Theory has been selected to construct the brand owner-consumer-brand relation model because of its simplicity, triadic characteristics, ability to study sentiment aspects of consumer behaviour, and its predictive power in the dynamic part of the theory in order to conceptualize the impact of brand owner in consumers' brand perception.

This theory has been applied successfully in different research studies, mainly in psychology and sociology studying particularly interpersonal relationships, self-esteem, interpersonal perceptions, conflicts, theoretical discussion, supply-chain relations and relationships between nations (e.g. Alimaras 1967; Simon and Bernstein 1971; Moore 1978; Wellens 1979; von Hecker 1993; Kilduff and Krackhardt 1994; Carson, Carson, Knouse, and Roe 1997; Phillips, Liu, and Costello 1998; Carney 2000). It has also been applied to studies of consumer

² Unit relation refers to what is perceived as belonging together and forming a unit, such as ownership, proximity or potential for future contact.

behaviour, such as consumers' and their friends' attitudes towards a product (Peterson and Gross 1979) using dichotomized preferences of respondents. Results have suggested that Heider's balance model can be used by marketers to predict where attitude change is likely and then to determine what actions to take. To date, a test of its validity using continuous data in consumer research has not been reported in the literature.

Woodside and Chebat (2001) used a storytelling method to examine the static model of Balance Theory empirically in consumer psychology. Woodside (2004) incorporated the static model of Heider's Balance Theory and Fournier's consumer-brand relationship to advance the means-end chain using laddering technique. To date, empirically testing of the dynamic model of Heider's Balance Theory has not been reported in the literature, and there has certainly been no mention of testing either the static and dynamic models of the Balance Theory in brand owner-consumer-brand relationships using continuous data with real brands and their customers, which is the aim of this research project.

1.3 The Scope of Research

The theory can be tested in different industries, for example the building industry with architect and the building, the food industry with restaurant and the chef. However, international fashion designer labels were selected because of its dominating characteristics, such as the dominating personality of the brand owner and the brand.

The scope of this research is international fashion designer labels³, mainly the ready-to-wear or diffusion lines, with which the original founders are still active as creative directors.

³ Designer labels are defined as items that carry a brand mark such as a designer name, symbol or logo, that has the purpose of endowing the product with high perceived quality and affiliation with a famous designer in order to create the basis for status and price differentiation.

The targeted population is consumers⁴ of ready-to-wear or diffusion lines of these international designer labels. These consumers should be able to name the designer or the creative director of these labels. Furthermore, these consumers are assumed to have positive self-perception.

1.4 The Research Objectives

The research objectives are listed below:

1. To conceptualize the brand owner's impact on brand in consumer's brand perception.
2. To test the applicability of both the static and dynamic predictions of the Heider's Balance Theory in brand owner-consumer-brand relation.
3. To construct and test a model of brand owner-consumer-brand relation.
4. To examine if personality has an impact on brand owner-consumer-brand relation.

1.5 The Research Hypotheses

The hypotheses under test in this research project are delineated below. These hypotheses were developed after the literature review and the use of a discovery approach with experts in the field as well as consumers. The construction of these hypotheses is discussed in greater detail in Chapter 3.

Hypothesis One: In the static brand owner-consumer-brand relation, there are more balanced triads than imbalanced triads.

Hypothesis Two: Attitude influences the brand owner-consumer-brand relation.

Hypothesis Three: Unit relation influences brand owner-consumer-brand relation.

⁴ Consumer is defined here as the person who had bought the items for personal consumption, for their own usage. Consumers buying the item as a gift are excluded by this definition. In addition, consumers are assumed to have positive self-perceptions.

- Hypothesis Four:** When imbalance occurs, new balance triads will be restructured.
- Hypothesis Five:** Perceived personality influences the brand owner-consumer-brand relation.
- Hypothesis Six:** The adapted balance model performs similarly to original balance model.
- Hypothesis Seven:** Consumer characteristics influence the consumers' perception of the brand owner.

1.6 The Research Methodology

The selected fashion market of international designer labels is a very specialized luxurious market. Consumers in this market segment of the ready-to-wear and diffusion lines of these labels are very sophisticated. In order to better understand the situation, a discovery-oriented approach, which includes real life experience and qualitative interviews with experts in the field, was taken.

Different measures, such as the Chinese Brand Personality Scale, Fashion Proneness Scales, and Hedonic-Utilitarian Scales were developed, validated and the reliability confirmed before being administered in the main study. Pilot studies were conducted to evaluate the applicability of the questionnaire and the experimental methods. Refinements were carried out before the main study took place. The questionnaire was evaluated by experts to ensure that there were no leading questions that might have led respondents to guess the expected answer.

Both traditional methods used in the Balance Theory and extended methods that were developed were employed to test different aspects of the theory. Consumers' perception of the brand they originally liked was used to test and develop the model and that of the brand they originally disliked was used to test and confirm the developed model. A detailed discussion of the methodology used is in Chapter 4.

1.7 Organisation of the Thesis

The thesis is divided into eight chapters. Chapter 2 reports the review of literature concerning branding, social psychological theories, and consumer behaviour. Discussion of branding includes: brand, brand positioning, brand image, brand personality, brand meaning, brand owner, and international designer labels. Socio-psychological theories discussed are cognitive consistency theories inclusive of the cognitive congruity theory, cognitive dissonance theory and Heider's balance theory. In the context of consumer behaviour, consumers, celebrity endorsement, fashion involvement, self-monitoring and hedonic-utilitarian shopping are discussed. These areas set the foundations for the present study.

Chapter 3 discusses the research hypotheses developed from different aspects of the balance theory to test the proposed relationships between the brand owner, consumer and the brand using both traditional and extended methods. In addition, it includes hypotheses developed to test the influence of personality and consumers' characteristics.

Chapter 4 discusses the methodology adopted in this research project. The chapter also discusses the methodology by which data were gathered, the research design and administration of the research instruments and statistical techniques used in data analysis.

Chapter 5 discusses emic-etic approaches in scale development, as well as the methods of developing and validating the Chinese Brand Personality Scale, fashion proneness and hedonic-utilitarian shopping scales.

Chapter 6 presents the findings from quantitative analysis of data relating to the research project. The results with regard to the Z test for proportion, chi-square test of independence, correlation, hierarchical multiple regression with

interaction terms and residual centering approach are presented with their corresponding tables or figures.

Chapter 7 discusses the quantitative findings, research implications and implications to practitioners with respect to the hypotheses and disclosures.

Chapter 8 summarizes the findings presented in the thesis in the light of hypotheses under test. Several recommendations are presented and the limitations of the study and areas of possible further research are discussed.

1.8 Summary

This chapter presents a brief summary of the research project, the research objectives, research methodology, the research hypotheses under test and the organization of the thesis. In the next chapter, the literature review concerning branding, social psychological theories and consumer behaviour will be discussed.

Chapter 2

Background

2.1 Overview

This chapter briefly discusses literature concerning branding, social psychological theories, and consumer behaviour. Brand, brand positioning, brand image, brand personality, brand meaning, brand owner and International Designer Labels are discussed. Cognitive consistency theories including cognitive congruity theory, cognitive dissonance theory and Heider's balance theory are discussed. In addition, consumer behaviour, celebrity endorsement, fashion involvement, self-monitoring and hedonic-utilitarian shopping are discussed. These are the topics that set the foundations of the study.

2.2 Brand

“**Brands** are used as a sort of language. Brands tell you a great deal about who you are, where you are in life, what you are and where you are going. Brand choices are as much a part of ourselves as the way we speak, the words we use, our dialect, dress, gestures and language. Brands are part of ourselves and we are part of our brands” (Lannon and Cooper 1983, p.205).

“A successful brand is a name, symbol, design, or some combination of the three, which identifies the ‘product’ of a particular organization as having a sustainable differential advantage” (Doyle 1989); however, it will depreciate if management fails to re-invest correctly in enhancing quality, service and brand image. In addition, “people buy things not only for what they can do, but also for what they mean” (Levy 1959). Park, Jaworski and MacInnis (1986) identify three concepts of brand, namely, functional, symbolic and experiential and these are difficult to manage over the long term. De Chernatony and McWilliam (1989) categorize brands in terms of function and representation. Lifestyle retail brands possess strong symbolic values, lifestyle images are codes that transmit meanings and the consumption experience is an interactive process that creates values (Helman and de Chernatony 1999). “Consumers choose brands on the basis of the way these values fit their lifestyles and enable them to satisfy their needs” (de Chernatony 2001).

An emotional tie is important in consumer’s choice of brand, as well as in brand positioning (Hooley and Saunders 2004); and consumers use brand to construct their own self-identity (Elliott and Wattanasuwan 1998; Fournier 1998). Therefore, “a successful brand is an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values which match their need most closely. Furthermore, its success results from being able to sustain these added values in the face of competition” (de Chernatony 2003).

A brand also acts as a living memory: “the spirit of a brand can only be inferred through its products and its advertising. The content of a brand grows out of the cumulative memory of these acts, provided they are governed by a unifying idea or guideline...the way we are introduced to a brand creates an anchor in our memories that shapes all future perceptions” (Kapferer 1992). The real value of the brand is determined by the consumer (de Chernatony and McDonald 2003). Consumers may focus on different aspects of the message and manipulating the message so that it is congruent with prior beliefs and expectations. This may be different from that intended by the brand. Due to a process of systematic distortion, Elliott and Roach (1991) found that consumers’ evaluations of attributes are influenced more by their own beliefs than actual attributes.

2.2.1 Brand positioning

Positioning enables the brand to occupy a distinct, meaningful, and value placed for in the target customers’ minds (Hooley, Saunders, and Piercy 2004; de Chernatony 2001; Ries and Trout 2001). “A position takes into consideration not only a company’s own strengths and weaknesses but those of its competitors as well” (Ries and Trout 2001). As a result, it is the created image that occupies a meaningful and distinct competitive position in the target customers’ minds (Hooley, Saunders, and Piercy 2004; Kotler, Wong, Saunders, and Armstrong 2005).

“Brand position is the part of the brand identity and value proposition that is to be actively communicated to the target audience and that demonstrates an advantage over competing brands” (Aaker 1996). It is a brand-segmenting strategy that emphasizes the brand’s distinctive and motivating attributes in the light of competition (Kapferer 1992). This positioning should be sustainable and not easily matched by competitors (Doyle and Saunders 1985). It can only be formulated after the frame of reference and ideal brand associations have been determined (Keller 1998), and relates to positioning of the brand in the mind of the consumers after the brand has already determined a frame of

reference and the ideal point-of-parity and point-of-difference brand associations.

Hooley, Greenley, Fahy, and Cadogan (2001) and Hooley, Saunders, and Piercy (2004) studied positioning from the resources perspective. Suajan and Bettman (1989) found that the perception of brand differentiation affects perceptions of the brand's position within the category. Droge and Darmon (1987) found direct comparative advertisements were effective in engendering overall brand positioning and Pechmann and Ratneshwar (1991) discovered that this was particularly true when featured attribute was typical of the category.

Batra and Ahtola (1990) and Hooley, Saunders, and Piercy (2004) pointed out the importance of emotional attachment in current brand positioning. "Brand positioning shifts from the classic idea of companies developing a 'Unique Selling Proposition' (USP) to establishing a 'Unique Emotion Proposition' (ESP) ... Nike's success at brand differentiation flowed from their Air Jordan range which built upon the USP of air cells in the heels and their ESP of being associated with top athletes" (Hooley, Saunders, and Piercy 2004). Emotional ties also played an important role in both loyalty patterns and the choice of a brand (Batra and Ahtola 1990).

Alden, Steenkamp, and Batra (1999) developed a new brand positioning strategy - global consumer culture positioning (GCCP) - to facilitate managers in this globalized market place. Following from these ideas, this study was undertaken in order to analyse the role of brand owner of international fashion brands, mainly the designer labels, in brand positioning.

2.2.2 Brand image

Biel (1992) found there were three components of **brand image** (the associations linked to brands): image of the provider of the product/service, or corporate image; image of user; and image of the product/service itself. It is the understanding consumers derived from the total set of brand-related activities they engaged in, not just the perception phenomenon affected by the firm's

communication (Park, Jaworski, and MacInnis 1986). It consists of consumer knowledge and beliefs, stored in memory as associations, about brand attributes and the consequences of brand use (Peter and Olson 1994). These associations are usually organised in some meaningful way (Aaker 1992).

Keller (1998) defined three types of brand associations under brand image, namely attributes (which includes non-product related such as price, packaging, user imagery and usage imagery; and product related), benefits (such as functional, experiential and symbolic) and attitudes. Consumers generally think about brands as if they were celebrities or famous historical figures (Rook 1985) and relate them to themselves (Fournier 1998). “It is this symbolic content to a brand which has given rise to the notion of brands having ‘personalities’. These ‘personalities’ are the sum of the emotional ‘added values’ that the product carries, over and above its inherent quality and obvious functional purpose” (McWilliam and de Chernatony 1989).

2.2.3 Brand personality

A crucial part of brand image is **brand personality**, which is “the set of human characteristics associated with a brand” (Aaker 1997). Sirgy (1982) shows that consumers seek brands with personalities that are congruent with either their own or their sought-after (aspirational or ideal) personalities and use the brand’s personality to help define, both for themselves and for others, their sense of self (Belk 1988), an ideal self (Malhotra 1981), or specific dimensions of the self (Kleine, Kleine, and Kernan 1993).

Brand personality is a central driver of consumer preference and usage (Biel 1993). Different forces or drivers that shape brand personality can be separated into product-related attributes and non-product-related attributes (Aaker 1996) as shown in Figure 2.1.



Figure 2.1 Brand Personality Drivers
Source: Aaker, David. A. (1996)

Aaker (1997) systematically developed and validated American Brand Personality Dimensions based on personality traits from psychology literature (e.g., John 1990; McCrae and Costa 1989; Norman 1963; Piedmont, McCrae, and Costa 1991); marketing literature (Alt and Grigg 1988; Batra, Lehmann, and Singh 1993; Levy 1959; Malhotra 1981; Plummer 1985; Wells, Andriuli, Goi, and Seader 1957); the experience of marketing practitioners; and original qualitative research using free association with a group of 16 subjects.

After elimination of redundancy, the list of the remaining 309 candidate traits was evaluated by another group of 25 subjects to assess how effectively the traits of the brands were described. Only traits with a score of 6 (very descriptive) were selected as traits for the study. Factor analysis, based on the ratings of 114 personality traits of 40 brands in various product categories by 631 American subjects, resulted in a highly stable five factors structure. After a series of factor analysis, cluster analysis, test-retest reliability, and confirmatory factor analysis involving various groups of subjects, the American Brand Personality Framework with five dimensions, fifteen facets and a 42 traits scale was developed (Table 2.1).

Table 2.1 American Brand Personality Dimension and Scales
Source: Aaker (1997)



Meaning entrenched in consumption symbols, such as commercial brands, can represent and institutionalize the values and beliefs of a culture (McCracken 1986; Richins 1994). Using a combined emic-etic approach and the American Brand Personality Framework and scales, (Aaker, Martinez, and Garolera 2001) explored this phenomenon in an East Asian culture (Japan) and a Latin culture (Spain). In the Japanese Brand Personality Framework (Table 2.2), there are five dimensions and 36 traits. The dimension Ruggedness is replaced by Peacefulness suggesting that these constructs captured culturally-specific meaning.

Table 2.2 Japanese Brand Personality Dimensions and Scales



Source: Aaker, Martinez, and Garolera (2001)

In the Spanish Brand Personality Framework (Table 2.3) there are also five dimensions and 33 traits. Only the dimensions of Excitement, Sincerity, and Sophistication are similar to those for America. The dimension Passion appears to be culture specific.

Table 2.3 Spanish Brand Personality Dimensions and Scales



Source: Aaker, Martinez, and Garolera (2001)

2.2.4 Brand meaning

The meaning of a brand is the consumer's perception or interpretation of it (Kleine and Kernan 1991), as well as his or her affective reactions towards it (Friedmann 1986). These meanings affect consumers' perceptions of value (Richins 1994) and purchase behaviour (Kleine and Kernan 1991).

A consumer may attend only to certain messages and interpret or make sense of the meanings according to his or her personal perception (Lannon 1992) and his social knowledge (Livingstone 1995). Therefore, “we cannot hope to understand consumer behaviour without first gaining some understanding of the meanings that consumers attach to possessions” (Belk 1988).

Kim (1990) mentions: “a brand ... exists like a myth in the imagination of the consumer”. This shows that consumers are crucial as it is the consumers’ interpretation and perception that matters. However, perceptions of meaning can vary from one individual to another (Friedmann 1986; Levy 1963). Therefore, it is important to understand the factors that will influence the perception of consumers, for example their characteristics.

2.2.5 Brand owner

The chief designer / the creative director, the person that gives the brand its character, image and personality is the **brand “owner”**. The brand name may or may not be the same as the brand “owner”, for example, Giorgio Armani of Mr. Giorgio Armani, Virgin of Mr. Richard Branson, and Krizia of Ms Mariuccia Pinto Mandelli.

A brand “owner” is very influential in positioning the brand and when the brand “owner” ceased his active role, the brand will be perceived differently by the consumers. Examples of brands having been diminished in the absence of their founders are Jil Sander (Menkes 2001), Body Shop (Marsh 2001), and Versace (Rossant and DeGeorge 1997). Many brands are actually developed because the brand owner cannot find products that suit his lifestyle and image in the market, for example, Luciano Barbera and Joseph Abboud developed and expanded their lines according to their own requirements (Chan 1999b) such as by developing a golf line as golf became important to their social lives, etc.

Temporal and Alder (1998) mention that brand image, reputation and loyalty can be improved if the whole organisation, every staff member, and the product

and services of a particular brand, have a coherent image or signature. The brand “owner”, having overall responsibility for the direction of the brand, facilitates the coherent image or signature.

2.2.6 International designer labels

International fashion brands are the brands of international fashion designers. “After consultation with the British Fashion Council and international fashion magazine editors, to be eligible for inclusion on the list as international fashion designers, fashion designers have to meet the following criteria:

- they have an international profile in the fashion industry as evidenced in their having a runway show in London, Paris, Milan or New York;
- they have been established in the fashion design business for at least two years;
- they market their own label merchandise; and
- they produce merchandise which is sold in two or more countries” (Ferne and Moore 1998; Fernie, Moore, Lawrie, and Hallsworth 1997).

A designer is a person employed to create ideas for garments or accessories in the fashion industry (Frings 1999) or “a person responsible for the creative aspect of product development” (Jarnow and Dickerson 1997). **International designer labels** refer to the brands of international designers.

Designer labels include the couture line, Prêt-à-Porter line, bridge line or diffusion line, and contemporary. The couture line is reserved for fashion that is made to order to fit an individual customer’s measurements. This is the most luxurious and expensive category of fashion, and a single outfit can cost between US\$5,000 and 50,000. Examples of couturiers include Europeans Karl Lagerfeld, Christian Lacroix, Yves St. Laurent, Valentino and American Arnold Scassi and John Anthony (Frings 1999).

Prêt-à-Porter line refers to ready-to-wear garments from successful designers who own their business or have a “signature collection” with their name on the label. The price is around US\$1,000-5,000 per item and allows the designer to

use the best fabric and quality for mass production. Examples of designer collections include Giorgio Armani, Donna Karan and Ralph Lauren (Frings 1999).

A bridge line, or diffusion line, is less expensive than a designer line and the lower price is achieved by using less expensive fabrics and/or different production methods, examples being CK from Calvin Klein, DKNY from Donna Karan, Versus from Versace, or Emporio from Giorgio Armani. Other collections such as Ellen Tracy, Dana Buchman, or Adrienne Vittadini were originally intended for the bridge market (Frings 1999). This is a category aimed at the style-conscious woman who wants fashion but does not want to pay designer prices. The price range varies from bridge to budget, such as Max Studio, and Ralph by Ralph Lauren (Frings 1999).

Kapferer (1992) stated “a brand is the signature on a constantly renewed, creative process which yields product A today, product B and C tomorrow, and so on. Products are introduced, they live and disappear, but brands endure. The consistency of this creative action is what gives a brand its meaning, its contents and its character.”

The main characteristic of a designer label is that it has the “signature” of the designer. The fashion designer’s personality and image will inevitably be reflected in his or her collection, the brand or collection will also carry the same signature or personality. A designer brand or collection is always associated with the glamour of the designer himself/herself, and backed-up by the hype (excitement created by the media), PR images and positioning.

Gianni Versace’s signature line is colourful, sexy, and spectacular, sometimes even on the verge of vulgar and obscene. His design is usually skin-tight with neo-Baroque magnificently decorous and colourful fabrics creating a glamorous luxurious look. He had extended his products from clothing into other lifestyle items such as furniture, bed linen, etc. He also made full use of Rock & Roll and the glamour of Madonna to promote his image and influence

his customers' perceptions. The designer's reputation, the media and public relations (PR) all help to create the hype of the brand. But it has also had to be supported by good pricing and quality.

Gianni Versace's lines were successful when he was alive, but this is no longer the case after his death (Rossant and DeGeorge 1997). When Gianni Versace died, the perception of customers changed, all the glamour developed previously disappeared totally and the brand is no longer as before. It took time for Donatella Versace to successfully re-position the brand, but the brand image is not exactly the same as in Gianni's day as it now has Donatella's image as well. The image was changed significantly and has become more feminine.

Moore, Fernie, and Burt (2000) analyse different types of brand segmentation of designer labels as shown in Table 2.4. When the details of different designer labels are examined, the brand architecture is quite complicated. Aaker and Joachimsthaler (2000) developed the brand architecture of Polo Ralph Lauren as shown in Figure 2.2

Table 2.4 Brand segmentation of International Designer labels



Source: Moore, Fernie, and Burt (2000)



Figure 2.2 Polo Ralph Lauren brand architecture

Source: Aaker and Joachimsthaler (2000)

2.3 Social Psychological Cognitive Consistency Theory

In social psychology, there are different cognitive theories of interpersonal relationship and attitudinal change. The most influential ones appeared in the 1950s, including Osgood and Tannenbaum's (1955) *congruity theory*, Festinger's (1957) *cognitive dissonance theory*, and Heider's (1958) *balance theory*.

Cognitive congruity theory (Osgood and Tannenbaum 1955) holds that when change in evaluation or attitude occurs, it always occurs in the direction of increased congruity with the prevailing frame of reference. The issue of congruity arises whenever a message is received which relates to two or more objects of judgment via an assertion. The paradigm of congruity is that of an individual who is confronted with an assertion regarding a particular matter about which he believes and feels in a certain way, made by a person toward whom he also has some attitude. All assertions are classified as either associative (or positive) or disassociative (or negative) and any assertion by the source relates the source and the concept held by the individual.

If the individual was favourably disposed toward the source and the concept prior to the assertion by the source, and the assertion is favourable, then there is no incongruity. Incongruity is said to exist when the attitudes toward the source and the object are similar and the assertion is negative, or when they are dissimilar and the assertion is positive.

In comparison, unbalanced states are defined as having either one or all negative relations. The state of incongruity generates a pressure for change in the attitudes held toward the source and/or the concept, and the changed attitudes are expected to lead to a congruous situation. Thus, the congruity theory attempts to specify precisely the direction of change, and to indicate whether the change will be with respect to the source or with regard to the concept or object, since the assertion is already made and it can only be positive or negative.

Cognitive congruence theory (Osgood and Tannenbaum 1955) is one of the theories that had originally under consideration. Though it can be applied to study the relationship between either brand and the consumer, or brand owner and the consumer, or the brand and the brand owner and investigate if their relationships are congruent or not. It is not the most appropriate one because it only studies relationships between two parties and it has no predictive power.

Cognitive dissonance theory (Festinger 1957) postulated that pairs of cognitions (elements of knowledge) can be relevant or irrelevant to one another. If two cognitions are relevant to one another, they can be either consonant or dissonant. Two cognitions are consonant if one follows from the other, and they are dissonant if the opposite of one cognition follows from the other.

The existence of dissonance motivates the person to reduce the dissonance and leads to avoidance of information likely to increase the dissonance so as to reduce the psychological discomfort. The greater the magnitude of the dissonance, the greater is the pressure to reduce dissonance.

The magnitude of dissonance between one cognitive element and the remainder of the person's cognitions depends on the number and importance of cognitions that are consonant and dissonant with the one in question.

Cognitive dissonance theory (Festinger 1957) has been studied in a variety of topics like motivation, emotion, behaviour, perceptions, attitudes, beliefs and feelings and it is focused on situations where two cognitive elements are inconsistent with one another. It focuses on two cognitive elements, and can be applied to study the relationships in brand-consumer dyad, brand-brand owner dyad or brand owner-consumer dyad.

Cognitive dissonance theory (Festinger 1957) is another theory had been considered originally. Again, though it can be applied to study the relationship between either brand and the consumer, or brand owner and the consumer, or the brand and the brand owner. It only investigates if their relationships are

consonant or dissonance. It is not the most appropriate one because though it mentioned that the person will try to reduce dissonance, it only studies relationships between two parties and it has no predictive power.

Heider's *Balance Theory* (HBT) (Heider 1946, 1958) is a psychological theory on cognitive response and interpersonal relations. It is comprised of a triad of a person (*p*), another person (*o*), and an entity (*x*).

Heider (1958, ch.7) proposes two major types of relations, namely the unit relation and the sentiment relation. The unit relation refers to what is perceived as belonging together, which means as forming a unit. This type of relation may be brought about by unit-forming factors such as similarity, proximity, ownership, causality and kinship. The sentiment relation refers to the positive or negative feelings or valuation that one places on something, such as a person or an object. There is a basic assumption that sentiments and unit relations are mutually interdependent and they tend toward a balanced state, co-existing with tension. It can study the sentiment aspect of consumer behaviour in addition to the physical unit relation.

This theory is a very simple three-point model. It is easy to comprehend and yet it has its dynamic predictive power. It predicted that when there is imbalanced, respondents will try to restructure their perceptions so as to have a balanced situation. This enables studying consumer behaviour in this ever-changing world. When there are different news concerning the brand owner appeared, consumers' reactions can be studied.

It has been applied by different researchers in studying such as negative interpersonal attitudes (Alimaras 1967), self-esteem and received reciprocal liking (Simon and Bernstein 1971), communication effect (Feather 1971), relationship between countries (Moore 1978), consumer attitude (Peterson and Gross 1979), interpersonal liking-proximity relationship (Wellens 1979), memory effects (von Hecker 1993), determinants of reputation in organizational labour market (Kilduff and Krackhardt 1994), service quality (Carson, Carson,

Knouse, and Roe 1997), supply chain relationship (Phillips, Liu, and Costello 1998), regime type and interstate affectivity (Carney 2000), and consumer behaviour with automatic and controlled thinking (Woodside and Chebat 2001). Since it was used to study triadic relationships, it can be applied to study the triadic relationship between the brand owner (O), the consumer (C) and the brand (B).

Balance theory is the most appropriate one for this study because it studies the relationships between three parties at the same time. It provides the greatest contribution to explain the relationships between the brand owner, consumer and the brand because it not only is able to investigate if their relationships are congruent or dissonance, it has proved to be robust and predictive in other context and it focused on the three-way relationships which is of high relevance in this study.

2.4 Heider's Balance Theory

Heider's *Balance Theory* (HBT) (Figure 2.4) is a Gestalt-influenced cognitive consistency theory proposed by Heider. His initial work (Heider 1946) was on the social psychology of attitudes and perception. He examined how causal attributes influence the perception of the behaviour of other persons and proposed that cognitive restructuring will occur when facing tension. This work sets the foundation for his Balance Theory.

In 1946 he was interested to find the ways in which people view their relations with other people and with the environment (Heider 1946). His initial ideas of Balance Theory have been developed and discussed. The analysis was limited to two persons, labeled p and o , with p as the focus of the analysis and with o representing some other person, and to one impersonal entity, which could be a physical object, an idea, an event, or the like, labeled x (p.107).

He proposed "attitudes towards persons and causal unit formations influence each other. An attitude towards an event can alter the attitude towards the person who caused the event, and if the attitudes towards a person and an event are similar, the event is easily ascribed to the person. A balanced configuration exists if the attitudes towards the parts of a causal unit are similar".

He looked into *attitude* and *unit formation*. *Attitude* (sentiment, such as to like, to love, to esteem, to value, etc.), is the positive or negative relationship of a person p to another person o , or to an impersonal entity x which may be a situation, an event, an idea, or a thing, etc. A positive relation of this kind will be assigned L , a negative one $\sim L$. So pLo means p likes, loves, or values o .

Unit formation (association, conditions under which entities belong together, such as similarity, proximity, causality, ownership, common group membership, or potential for future contact) will be assigned U . So pUx can mean p owns x , or p made x ; $p\sim Ux$ means p does not own x , etc. The same o or x can be positive in one aspect and negative in another. All examples refer to p 's life space. This is true even of oLp which means p thinks that o likes or

admires p . For unit relation, pUo is a symmetrical relation as they belong to each other. For attitude relation pLo is asymmetrical since it does not imply oLp . The triad of relation is in balance, if two relations are negative and one positive. A balanced state also exists if all three relations are positive. It is important to note that all discussion so far is based on pre-supposed pLp . Self-evaluation may change the perceptions. It is also found that a U relation is often weaker than the L relation.

His initial ideas aroused the interests of social scientists and, as a result, during that period there were lots of advances in the theory and empirical investigations (e.g., Cartwright and Harary 1956; Kogan and Tagiuri 1958; Newcomb 1953), which he had included in his famous book *The Psychology of Interpersonal Relations* (Heider 1958). In this book, he discussed his Balanced Theory in detail and systematically with interpersonal relation aspects like desire, pleasure, environmental effects, sentiment, ought and value, request and command, benefit and harm, etc.

2.4.1 Details of Balance Theory

The theory centers on the person as the basic unit of investigation. Generally speaking, a person reacts to what he thinks the other person is perceiving, feeling, and thinking in addition to what the other person may be doing. The object of Heider's inquiry was to discover how relationships between a person (p), another person (o), and an entity (x) are organised in person P's cognitive structure, and whether there exist recurrent and systematic tendencies in the way these relations are experienced. So it is comprised of a triad of a person (p), another person (o), and an entity (x).

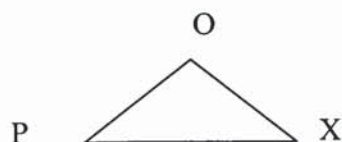


Figure 2.3 Heider's Basic Balance Model

Heider (1958, Ch. 7) identified two major types of relations, unit formation and attitude (sentiment, such as to like, to love, to esteem, to value, etc). Separate entities comprise a unit when they are perceived as belonging together. Similarity, proximity, common fate, good continuation, set, past experience, ownership, kinship, nationality, religion, familiarity, and frequent interaction are unit-forming factors.

Whether two entities are seen as making up a unit depends not only on their relation to each other – whether they are similar or close to each other – but also on the properties of the surrounding. Surroundings and environment also influence the perception. If a New Yorker and a Bostonian meet in a party composed half of New Yorkers and half of Bostonians they will very likely feel they belong to two different units. But if they meet in a party in which no one else is American, they will feel they belong together.

Similarity induces positive sentiment, p similar to o induces p likes o . Even in language, the word “like”, as a verb refers to a positive sentiment and as an adjective, it means “similar”. Impressions of persons are often highly unified. In regard to sentiments, this implies that we tend to have an over-all like or dislike of a person. When several sentiments can be distinguished, they tend to be alike in sign.

The sentiment relation refers to the positive or negative feelings or value that one places on something, such as a person or object. A basic assumption is that sentiments and unit relations are mutually interdependent; they tend toward a balanced state, coexisting without tension.

Notations used by Heider (1958) in discussing interpersonal relations are as follows:

p	= the person whose perception is being considered, for this study purpose, e.g. consumer
o	= the other person who is perceived by p , e.g. brand owner
x	= a third entity, e.g. brand

U	= the unit relation: what belongs with what
$notU$ or $\sim U$	= the non-unit relation: not belonging together
L	= the sentiment relation: liking or other positive valuation
DL or $\sim L$	= the sentiment relation: disliking or other negative valuation

Heider proposed that the person's (p 's) cognitive structure representing relations among p , o and x were either what he termed "balanced" or "imbalanced". In the case of two entities, a balanced state exists if the relation between them is positive (or negative) in all respects, i.e., in regard to all meanings of L and U . In the case of three entities, a balanced state exists if all three relations are positive in all respects, or if two are negative and one positive (Heider 1946, p.110). Thus, a balanced state is obtained when, for instance, p likes o , p likes x and o likes x ; or when p likes o , p dislikes x , and o dislikes x ; etc.

There are four possible conditions when relationships between the three parties are balanced and four possible imbalanced states as seen in Figure 2.4. The ideal state occurs when all three parties get along well '+ + +', (e.g., a friend of my friend is my friend ' pLo, pLx, oLx '). In this condition, relationships are harmonious and no tension exists (Heider 1946, 1958). Balance among the three parties also occurs when two of the three bonds are negative '- - +', '- + -', '+ - -' (e.g., the friend of my enemy is my enemy ' $p\sim Lo, oLx, p\sim Lx$ ' or ' $pDLo, oLx, pDLx$ ', or the consumer dislikes the brand owner and thinks that brand owner and the brand are positively related, so he dislikes the brand). Although no tension exists in these balanced conditions, negative relationships may induce unpleasantness for the parties involved (Smith 1989). Imbalance occurs when one of the three relationships is negative and the other two are positive '+ + -', '- + +', '+ - +', as it is not cognitively consistent to suggest, for example, that a friend of my enemy is my friend ' $p\sim Lo, oLx, pLx$ ' or ' $pDLo, oLx, pLx$ ' (Carson, Carson, Knouse, and Roe 1997).

Heider's basic hypothesis asserts that there is a tendency for cognitive units to achieve a balanced state. Pressures toward balance may produce various effects. If no balanced state exists, then forces towards this state will arise, or the unit relations will be changed through action, or through cognitive reorganization. If a change is not possible, the state of imbalance will produce tension (Heider 1946). Imbalance also occurs when all the three relationships are negative '---' (Figure 2.4). However, when all the three relationships are negative, in the disliking relationship, the group will be dissolved (Phillips, Liu, and Costello 1998) meaning that it will not exist. A lot of researchers (such as Doreian and Mrvar 1996; Mahazab and Feger 1985; Peterson and Gross 1979; Woodside and Chebat 2001) classified this triple negative mode as an imbalanced mode, while Davis (1967) and Hummon and Doreian (2003) classify this mode as the fifth balanced mode in the social network with different subgroups. Actually Heider had not clearly defined this mode. He described it as too indeterminated (Heider 1946), thus cannot be considered transitive (Heider 1958).

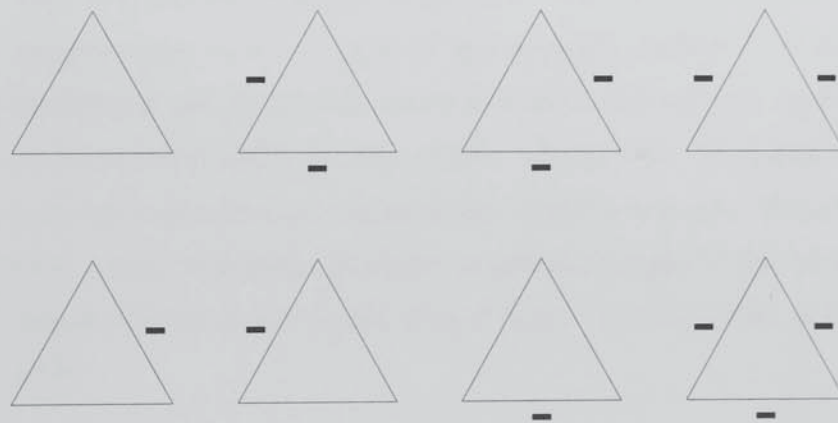


Figure 2.4 Possible balanced and imbalanced states

When there is imbalance there is a stress to change. There is a tendency to restructure the relation cognitively so that a balanced state is achieved. The situation can be made harmonious either by a change in the sentiment relations or in the unit relations.

Case 1 "Change in sentiment relations"

- a. p can begin to feel that x is really not so bad, thereby producing a triad of three positive relations (Figure 2.5b).
- b. p can admit that o is not quite as good as he thought he was. A balanced triad of two negative relations and one positive relation is thus established (Figure 2.5c).

Case 2 Change in unit relations

- a. p can begin to feel that o is not really responsible for x . In this way x cannot be attributed to o and the unit between o and x is destroyed. There are two negative relations and one positive relation (Figure 2.5d).
- b. p can resolve the situation by gaining a more differentiated picture of o . He says in effect, that o , like everyone, has good points and bad points; I still like him because of his good points, though I dislike part of his personality; o has been differentiated in such a way that the unit with the negative x now consists of just the negative part of o . A unit of two negative entities is thereby established and the triad in question revolves around two negative relations $pDLo$, $pDLx$ and one positive relation oUx . Of course, the o in this triad refers to that part of him which is negative. Since the total o must then consist of a positive part and a negative part, to this extent imbalance still exists (Figure 2.5e)" (Heider 1958, p.207-209).



Figure 2.5 Change toward balance within existing unbalanced sentiment and unit relations. Source: Heider 1958.

In Heider's theory it is p 's perceptions of the relations between entities that are important for predicting p 's subsequent cognitive behaviour. These perceptions may or may not correspond with whatever is taken to be the reality of the given situation (Heider 1946, 1958; Kilduff and Krackhardt 1994; Simon and Bernstein 1971). What matters are the consumers' perceptions of the brand owner and those of the brand, not what the brand owner or brand actually are.

"Balance Theory suggests; therefore, that mental representations of patterns of relations will be more important determinants of attitudes than the actual patterns of relations" (Kilduff and Krackhardt 1994). Limitations include: U relations is weaker than the L relation (Heider 1946, p.111), all examples discussed are based on pre-supposed pLp the person has high self-evaluation and likes him/herself (Heider 1946) and the formulation is dichotomized

preferences only (Mohazab and Feger 1985). Heider had not considered neutral situations. His theory generally seems valid in situations where there is a positive bond between the interacting individuals. However, in cases where the interacting parties have a negative relationship, Heider's theory does not fare very well (Manis 1978). The same view is shared by Alimaras (1967) that in a situation where p -to- o is positive, p 's orientation to o reflects a general attitudinal consistency. But when p -to- o is negative, ambivalence results. This may be because of indifference in a negative situation (Carroll 1977, Manis 1978).

2.4.2 Development and applications of Heider's Balance Theory

Cartwright and Harary (1956) used graph theory to state the structure of relationship in terms of signed digraph, giving the graph positive or negative values and direction. A solid line is used for positive value and dashed lines for negative relations. They extended Heider's Balance Theory to structure with any number of entities and developed a scale of balance to measure the extent of balanced triads in a structure (degree of balance of an s-digraph). An s-digraph is balanced if all its semi-cycles are positive. The degree of balance of an s-digraph is taken as the ratio of the number of positive semi-cycles to the total number of semi-cycles.

A symbolic psycho-logical model was developed by Abelson and Rosenberg (1958) using Heider's balanced - imbalanced principles. A structure matrix was developed based on the type of relations between different cognitive elements. Cognitive units are built out of pairs of elements, connected by a relation. For example, ArB is where A and B are elements and r is a relation. ApB means A is positive to B ; AnB means A is negative to B ; AoB means A has a null relationship with B ; and AaB means A is ambivalent to B . When there is no ambivalent relation in the thinking, the matrix is balanced and vice versa.

When discussing intrapersonal conflict resolution, Abelson (1959) specified four possible modes of resolution, namely denial, bolstering, differentiation, and transcendence. Denial refers to a direct attack upon one or both of the cognitive elements or the relation between them. The value felt towards the object, whether positive or negative, is denied, or the opposite is asserted. “Bolstering” consists of relating one or the other of the two cognitive objects in a balanced way to other valued objects, thereby minimizing the relative imbalance in the structure. In the mode of differentiation, an element may be split into two parts with a strong dissociative relation between the parts, whereas in the mechanism of transcendence, elements are built up and combined into larger units organized on a super-ordinate level.

As mentioned above, Heider’s original balance theory is mainly theoretical and limited to dichotomized preferences only. Subsequent researchers extended the theory using graphs to represent the relationships, and then developed these into signed graphs (such as Feather 1967, 1971). Others have used a scale, for example a seven-point scale ranging from –3 to + 3 with the mid-point as zero (Alimaras 1967; Lauterbach 1975), in order to quantify the extent to which attitudes were positive and negative, so that the number of balanced and imbalanced triangles could be calculated.

Feather (1971) proposed a structural model of communication effects based on Heider’s work. Each balanced structure has elements referring to a source or communicator (S) who is presenting a communication (C) about an issue (I) to a receiver or communicatee (R). As shown in Figure 2.7, unit relations¹ within the structures of the s-diagraphs are represented by brackets and attitudinal relation² is represented by lines and can be positive (solid line) or negative (dotted line).

¹ Unit relation: separate entities comprise a unit when they are perceived as belonging together

² Attitudinal relation refers to sentiment, like love, etc.



Figure 2.6 Structural model of communication effect (Source: Feather 1971)

The arrows on the lines describe the direction of each attitudinal relation and it may be observed that all semi-cycles shown are positive, that is, in balance. The s-digraphs mentioned could be coordinated with both balanced abstract and balanced perceived structures.

“An example of a balanced perceived structure is one corresponding to an objective situation in which a person presents a communication about some issue to his friend, and both his attitude and the friend’s attitude toward the issue are in the same direction as the stand taken in the communication. Under these circumstances there will be no pressure to change, since the perceived structure corresponds to an underlying balanced abstract structure (either s-digraph ‘a’, or s-digraph ‘h’ in Figure 2.6).

An example of an imbalanced perceived structure is one corresponding to an objective situation in which a person presents a communication about some issue to his friend and both his attitude and his friend’s attitude toward the issue are in the opposite direction to the stand taken in the communication. Two such unbalanced perceived structures are presented in Figure 2.7. Under these conditions, a discrepancy exists between the unbalanced perceived structure

(either s-digraph 'a', or s-digraph 'b' in Figure 2.7) and the corresponding balanced abstract structure (either s-digraph 'a', or s-digraph 'h' in Figure 2.6. There will be pressure to resolve the discrepancy and this may involve some form of cognitive adjustment (e.g., the source's message might be misinterpreted) or overt response (e.g., the source might be asked to clarify his position) or both" (Feather 1971).

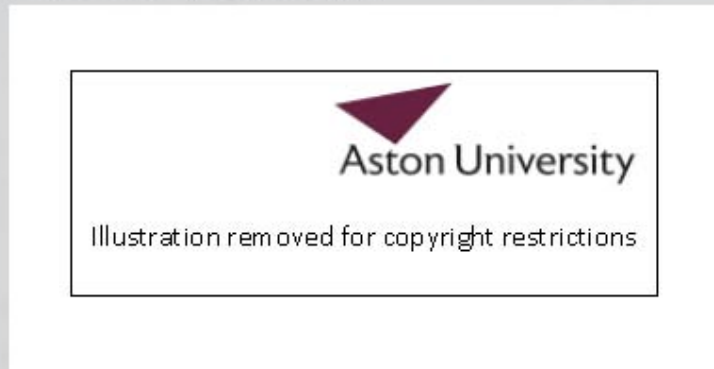


Figure 2.7 Signed digraphs representing two imbalanced perceived structure. Source: Feather (1971)

Feather commented that this communicative model has considerable predictive power. Provided that one knows any three relations that involve the four elements (S, C, I, R) of a structure, one can use the principle of structural balance to derive the remaining relations. This type of strategy can be employed in studies designed to match the assumed balanced abstract structures.

An extension of Heider's Balance Theory for quantified data was advanced by Mohazab and Feger (1985) through an algorithmic procedure. In their study, strength of sentiment of a person p for another person o and an object x are estimated on a scale ranging from a to b (see Figure 2.8). Assume a marks the positive, and b the negative end of the scale. As a notation, let s be the smallest, m the medium and l the largest value of the three relations in the p - o - x triad. In order to apply the balance concept to such triads, the range of the scale has to be divided into a positive and a negative part. Depending on the position of such division point (threshold as arrow shown in Figure 2.8), the triad would then be characterized as a balanced or imbalanced structure. In addition, all

triads with the same resulting sign-structure would be regarded as equally balanced irrespective of their actual value.



Figure 2.8 Representation of an algorithmic procedure which provides a balance measure for triads with quantitatively measured relations. Source: Mohazab and Feger (1985)

Greenwald, Banaji, Rudman, Farnham, Nosek and Mellott (2002) proposed a Unified Theory by theoretically integrating mainly Heider's (1958) Balance Theory with Osgood and Tannenbaum's (1955) Congruity Theory and Festinger's (1957) Cognitive Dissonance Theory and their developed Implicit Association Test (Greenwald, McGhee, and Schwartz 1998). This theory collapsed the distinction between person concepts and other concepts as well as the distinction between unit and sentiment relations. They developed the balanced identity design as a method to test the correlational predictions of the theory statistically.

These designs are well suited to test predictions derived from the balance-congruity principle, which holds that two concepts with a shared first-order link should develop a mutual association. Therefore, for A-B-C relation, the existence of A-B and A-C associations constitutes a network fragment with a shared first-order link, as both the B and C are linked to the A. **For this configuration, C concept association (C) should develop in proportion to the product of the strengths of the A-C concept (A) and A-B concept (B) link.** If either the A-C concept (A) or A-B concept (B) link is of zero strength, then there is no shared link and no tendency to form the third association.

Further theoretical explanation can be shown by the expected data pattern for balanced identity design as in Figure 2.9 (Greenwald, Banaji, Rudman, Farnham, Nosek, and Mellott 2002). In this figure, one variable (criterion) is a multiplicative function of the strengths of the other two (Predictor A & B), and one of the three variables (arbitrary Predictor B) is treated as an index variable with three levels – low, moderate, and high; although any of the three association measures in a balanced identity design can be in the role of the criterion and the three variables are effectively interchangeable in their role in data analysis.



Figure 2.9. Expected data pattern for balanced identity designs.

When the three measures of the balanced identity design vary through their full ranges, Prediction 1 calls for the finding of an interaction effect in the regression of any one variable on the other two. The interaction effect is represented here by three different slopes for the regression of a criterion on one predictor (A) for low, moderate, and high levels of a second predictor (B). SD = standard deviation. Source: Greenwald, Banaji, Rudman, Farnham, Nosek, and Mellott 2002.

This figure displays the expected regression of the criterion variable on Predictor A separately for these three levels of Predictor B. Because the variables of a balanced identity design can take any of the three roles, the implication of Figure 2.9 is that the slope of the regression relation between any two variables (e.g., criterion and Predictor A) is governed by the level of the third variable (Predictor B). When the third variable is at a high level, the expected relationship between the first two variables is positively sloped; when the third variable is at a low level, the expected relationship between the first two is negative.

“The pattern shown in Figure 2.9 has a strong implication for the results of a multiple regression analysis in which any of the three variables of the balanced identity design is the criterion, and the other two are predictors. In particular, the data should be fitted entirely by the interaction effect in the first step of a 2-step hierarchical analysis that (a) includes only the interaction effect term in the first step and (b) adds the interaction’s two component variables as separate predictors in the second step. Furthermore, the regression coefficient for the term corresponding to this interaction effect should be positive in sign³. When C represents the criterion and A and B represent the two predictors, the equations fitted in the two steps are as follows:

$$C = b_0 + b_1(A \times B) + e \dots (1)$$

$$C = b_0 + b_1(A \times B) + b_2(A) + b_3(B) + e \dots (2)$$

In these equations, the four regression coefficient values are the constant or intercept term (b_0), the interaction effect (b_1), and the effects of Predictors A (b_2) and B (b_3); $A \times B$ is the interaction predictor variable, which is formed by multiplying values of A and B.

The usual procedure for testing an interaction effect is to enter the variable representing it into the regression analysis after estimating main effects by entering the interaction’s individual component variables as predictors (Cohen and Cohen 1983). However, in this study, this typical order must be reversed to determine whether the data of the balanced identity design can be explained entirely by the interaction term.

³ This figure shows that the criterion measure is expected to be especially low when one predictor is high and the other is low (a situation that makes the AB product negative). Similarly it shows that the criterion is expected to be especially high either when both predictors are low or when both are high – both situations make the AB product positive. With the value of the criterion therefore expected to be especially low when the AB product is negative and especially high when the AB product is positive, the overall expectation is a positive relation between the AB product and the criterion.

Good fit for the interaction-only model of Equation 1 will appear as the absence of a statistically significant increment in R on Step 2. Expected results of the 2-step hierarchical analysis: (a) the R in Step 1 should account for substantial variance in the criterion, and Step 1 should estimate a numerically positive value for b_1 , (b) the estimate of b_1 should also be positive in Step 2⁴” (Greenwald, Banaji, Rudman, Farnham, Nosek, and Mellott 2002).

Heider’s Balance Theory has been applied in different settings. As shown in Appendix One, the majority of the research studies are in psychology and sociology studying particularly interpersonal relationships, self-esteem, interpersonal perceptions, conflicts, theoretical discussion of the theory and relationships between nations (e.g., Alimaras 1967; Simon and Bernstein 1971; Moore 1978; Wellens 1979; von Hecker 1993; Kilduff and Krackhardt 1994; Carson, Carson, Knouse, and Roe 1997; Phillips, Liu, and Costello 1998; Carney 2000). There are a few in consumer research and these are highlighted as follows.

A consumer attitude study using Balance Theory was conducted by Peterson and Gross (1979). This study looked into the consumer, an individual psychologically related to the consumer and a product (beer). Samples were undergraduate students and a questionnaire with five questions was used. The first question targeted the direction of student attitude toward the product (beer); the second question was designed to assess that attitude direction toward the object believed to be held by a friend. Conversely, question four measured corresponding attitudes believed to be held by a disliked acquaintance. Finally questions three and five gauged whether or not the attitudes and beliefs held by the subjects made up a balance configuration. Positive replies to either question were assumed to indicate balance, a desired equilibrium state, and negative assertions were assumed to indicate unbalance. Answers (dichotomized

⁴ As may be seen from Figure 2.9, when there is no variation on one predictor, the regression analysis can degenerate to a linear relationship between the other two variables, with no interaction effect. Such an extreme circumstance should be rare. Nevertheless, this reasoning indicates that when the range of at least one variable in the balanced identity design is restricted, the interaction term in Step 2 may be only weakly positive and therefore not necessarily statistically significant.

preferences) to these five questions enabled the research to construct different balanced and imbalanced modes. The researcher then counts the number of each modes of the liked and disliked acquaintance. The chi-square test was then used to compare the results. The results of the statistical analysis suggested that Heider's balance model can be used by marketers to predict where attitude change is likely and then to determine what actions to take.

Woodside and Chebat (2001) applied Balance Theory to consumer psychology by linking the theory with automatic-controlled memory retrievals and storytelling research paradigms. Examples such as 'a Jewish couple buy a German car' and 'moving to and from Finland' were used as illustrations.

Woodside (2004) incorporated Heider's Balance Theory and Fournier's consumer-brand relationship to advance the means-end chain. In means-end chains, the meanings that a consumer associates with a product, service or specific brand are represented hierarchically. The lowest level depicts an object's attributes and the remaining levels are consumers' outcomes including functional and psychological consequences, followed by the consumers' instrumental and terminal values. This study linked Heider's Balance Theory to person, brand, and attributes (and attribute-to-benefit-to-instrumental and terminal values) and used laddering techniques to study the means-end chains. These two studies analyzed consumer behaviour in given scenarios.

2.4.3 Rationale on applications of Heider's Balance Theory to study brand owner-consumer-brand relation

Balance Theory studies the interpersonal relationships between different parties and has two key components, namely attitude (sentiment, such as to like, to love, to esteem, to value, etc) and unit relation (association, conditions under which entities belong together, such as similarity, proximity, causality, ownership, common group membership, or potential for future contact). It can

be applied to study the sentiment aspect of consumer behaviour to the brand and the brand owner in addition to that of the unit relation aspect.

It is a simple three-point model and has both static and dynamic parts. In the dynamic part, this theory predicts that when a person's original perception of the relationship is disturbed, the person restructures to a new balanced perception. This enables the study of consumer behaviour in this ever-changing world. When different news appear concerning the brand owner, consumers' reactions can be studied.

Similar to the Balance Theory, this research project has sought to examine the triadic relationship between the brand owner, the brand and the consumer. It is also concerned with two persons, namely the consumer and the brand owner, and an entity - the brand.

The Heider's Balance Theory has been selected to construct the brand owner-consumer-brand relation model because of its simplicity, triadic characteristics, ability to study sentiment aspects of consumer behaviour, and its predictive power in the dynamic part of the theory in order to conceptualize the impact of brand owner in consumers' brand perception.

Cognitive congruence theory is one of the theories that had originally under consideration. Though it can be applied to study the relationship between either brand and the consumer, or brand owner and the consumer, or the brand and the brand owner and investigate if their relationships are congruent or not. It is not the most appropriate one because it only studies relationships between two parties and it has no predictive power.

Cognitive dissonance theory is another theory had been considered originally. Again, though it can be applied to study the relationship between either brand and the consumer, or brand owner and the consumer, or the brand and the brand owner. It only investigates if their relationships are consonant or dissonance. It is not the most appropriate one because though it mentioned that the person will

try to reduce dissonance, it only studies relationships between two parties and it has no predictive power.

Balance theory is the most appropriate one because it studies the relationships between three parties at the same time. It provides the greatest contribution to explain the relationships between the brand owner, consumer and the brand because it not only is able to investigate if their relationships are congruent or dissonance, it has proved to be robust and predictive in other context and it focused on the three-way relationships which is of high relevance in this study.

As mentioned in the previous section, this Balance Theory has been applied in different psychological and sociological situations. Although, it has also been applied to study consumer behaviour, such as consumers' and their friends' attitudes towards a product (Peterson and Gross 1979), the study used only dichotomized preferences of respondents, not continuous data. Therefore, findings are not showing extent of preferences. Results have suggested that Heider's balance model can be used by marketers to predict where attitude change is likely and then to determine what actions to take. However, a test of its validity using continuous data in consumer research has not been reported in the literature. This study aims at testing the validity of Heider's Balance Theory using continuous data in consumer research.

Woodside and Chebat (2001) used a storytelling method to examine the static model of Balance Theory empirically in consumer psychology. Woodside (2004) incorporated the static model of Heider's Balance Theory and Fournier's consumer-brand relationship to advance the means-end chain using a laddering technique. However, empirically tests of the dynamic model of Heider's Balance Theory have not been reported in literature, much less tests of both the static and dynamic models of the Balance Theory in brand owner-consumer-brand relationships using continuous data with real brands and their customers. This study aims at filling the gap by empirically testing the dynamic part of Heider's Balance Theory. In fact, this study aims at testing both the static and dynamic models of the Balance Theory in brand owner-consumer-brand

relationships using continuous data. Although majority of previous studies of Balance Theory used student subjects, this study tested the hypothesized Brand owner-consumer-brand relation model using continuous data with real brands and their customers.

2.5 Consumers

The postmodern consumer is threatened by a number of “dilemmas of the self”, such as fragmentation, powerlessness, uncertainty and a struggle against commodification (Giddens 1991), which are driven by the “looming threat of personal meaninglessness” because the individual endeavoured to construct and maintain a stable identity in a rapidly changing environment (Elliott and Wattanasuwan 1998). Levy (1959) suggests: “people buy things not for what they can do, but for what they mean”. His view is confirmed by a number of studies (Belk 1988; Giddens 1991; Dittmar 1992; Bourdieu 1994). “Functions of the symbolic meanings of products operate in two directions: outward in constructing the social world, social-symbolism; and inward in constructing our self-identity, self-symbolism” (Elliott and Wattanasuwan 1998). Cultural meanings are transferred to a brand and it is brands that are often used as symbolic resources for the construction and maintenance of identity (McCracken 1987).

The self is conceptualized in post-modernity as something the person creates actively, particularly through consumption (Glover 1988; Dittmar 1992; Solomon 1996). “The consumer exercises free will to form images of who and what he or she wants to be, although, paradoxically ‘free will’ is directed by values that are probably also a social product” (Elliott and Wattanasuwan 1998). Thompson (1995) describes the self as a symbolic project, which the individual must actively construct out of the available symbolic materials, materials which ‘the individual weaves into a coherent account of who he or she is, a narrative self-identity’.

Clothing is used by the consumer as a code (Hollander 1978; Holman 1980; McCracken and Roth 1989), a mode of social communication (Holman 1980) and to construct personal identity. People select styles based on perceptions of their own identities and lifestyles (Crane 2000; Mayer and Belk 1985; McCracken and Roth 1989). “If I’m wearing a white T-shirt and sneakers, that label [Armani] will fill in the rest of the information about me”, a customer in a London shop selecting her tenth pair of Armani jeans was quoted as saying

(Financial Times 1995). This consumer confirms the existence of a clothing code and indicates the importance of a brand to the code (Auty and Elliott 1998).

Consumers are described as selecting from a “brandscape of availability”, a personal brand space in which to live (Biel 1993, p.67). They develop **relationships** with the brands with which they are familiar which go far beyond their functional aspects (Babin, Darden, and Griffin 1994). There is a common phenomenon in the literature about brands to describe the brand as a person, meaning that the relationship between the brand and the consumer can be interpreted as an interpersonal relationship (Heilbrunn 1995). Blackson (1993) posited a brand as a relationship partner, and Fournier (1998) considered the consumer and the brand to be two partners in a dyadic relationship. Heilbrunn (1995) used the narrative approach to study the branding process as a triadic relationship between the brand, the company and the consumer.

2.5.1 Celebrity endorsement

Celebrity refers to “an individual who is known to the public for his or her achievements in areas other than of the product class endorsed” (Friedman and Friedman 1979). In other words, a celebrity is a person who is known for his well-known-ness. When employed properly, celebrities can be of great value in improving the fortunes of a product as celebrities increase the public awareness of a firm’s advertising and enhance both company image and brand attitudes (Kamins 1989).

McCracken (1989) defined a celebrity endorser as any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement. Celebrity endorsers can be well-known athletes, actors and even cartoon characters (Kotler, Wong, Saunders, and Armstrong 2005). The use of celebrity endorsers is effective as consumers are better able to identify products that are associated with a well-known and admired spokesperson (Agrawal and Kamakura 1995). Shimp (1997) claimed

that around 25% of all US-based commercials featured celebrities. However, for celebrity endorsement to be very effective, the celebrity endorser has to have characteristics which match those of the brand (Kamins and Gupta 1994; Till 1998). A source or celebrity that is more expert has been found to be more persuasive (Aaker and Myers 1987) and to generate more intentions to buy the brand (Ohanian 1991). Expert celebrities produced higher recall of product information than non-expert celebrities. Sternthal, Dholakia, and Leavitt (1978) also confirmed that highly credible sources were more effective than less credible sources.

Although a well-known celebrity may help create an immediate identity for a product, there are also some potential hazards, for example, a sudden change of image, drop in popularity, situation of moral turpitude, lost credibility as a consequence of being over-endorsed, or overshadowing of endorsed products (Kaikati 1987). Till and Shimp (1995) found that negative information about a celebrity will also affect the endorsed product.

2.5.2 Fashion involvement

Fashion can be viewed as the wares of consumerism which are “most visibly expressed and fervently endorsed” in the constitution of “a legitimate way of life” (Miles 1998, p.90). Fashion is a product of social demand, and the product of class distinction. It identifies the relationship between an individual and a particular class. It endures people’s adaptation to the complexities of modern life (Simmel 1971). Postmodern consumers “make lifestyle a life project and display their individuality and sense of style in the particularity of the assemblage of goods, clothes, practices, experiences and bodily dispositions they design together into a lifestyle” (Featherstone 1991). Fashion facilitates communication and helps individuals identify themselves within a group. “When consumers buy an item, they evaluate fashion brands in terms of their image. An appropriate brand image is crucial for fashion brands to succeed. Most fashion firms adopt the Image Strategy for building a desirable personality for their brand. Marketers of high tier fashion brands use Image

Strategy more frequently than the medium to low tier brands” (Lee, Leung, and Zhang 2000).

Consumers are different in their level of fashion involvement and consciousness. “Fashion innovativeness, fashion opinion leadership, fashion awareness, etc exist as related but distinct continuums among the consumer population” (Tigert, Ring, and King 1976). Sproles and King (1973) suggested that such a “fashion continuum” can be defined across a wide range of fashion-related activities and behavioural dimensions. Baumgarten (1975) researched the intersection of the fashion innovator and the fashion opinion leader as they are influential in new style communication. The “high” fashion involved consumer is important in his or her role as a monitor for the fashion industry. He or she is the early adopter, fashion leader in innovativeness, and facilitates interpersonal communication of fashion information (Tigert, Ring, and King 1976). McCracken and Roth (1989) noted that the degree of fashion involvement may be a relevant variable in the interpretation of clothing codes. “Fashion involvement is likely to be associated with differences in sensitivity to social surroundings in that those who are highly motivated to fit into a particular group will need to be aware of the fashion cues not just of that group but of other less desirable groups so that the ‘wrong’ cues may be avoided” (Auty and Elliott 1998).

2.5.3 Self-monitoring

The theory of self-monitoring held that people differ in the degree to which they exercise control over their expressive behaviour and self-presentation (Snyder 1974, 1987; Snyder and Cantor 1980; Snyder and Gangestad 1986). True self is one of the most cherished beliefs about human nature. Snyder believed that none of us continuously present our true selves. A person’s words and attitude create the public appearances and such words and attitudes may be the result of attempts to create images appropriate to particular circumstances in an attempt to be “the right person in the right place at the right time”. Some people are more concerned with and sensitive to their performance in different social

situations such as parties, job interviews, meetings and so on. These people carefully observe their own images, acting like different people depending on the situation in which they find themselves. These are high self-monitors, as they monitor or control the images of the self in social interaction to a great extent. On the other hand, low self-monitors value congruence between who they are and what they do. They are not so concerned about the social climate in which they find themselves and their behavior is quite consistent.

Snyder and Debono (1985) found that individuals who were classified as high self-monitors were more favorable to image-oriented advertisements than to quality-oriented advertisements and were willing to pay more for non-apparel products if they were advertised with an image-orientation than if they were advertised with a quality-orientation. On the other hand, low self-monitors favoured advertisements of quality over those of images and were willing to pay more for non-apparel products which advertised with a quality orientation than with an image-orientation (Browne and Kaldenberg 1997). In addition, there were distinct differences between the self-monitoring groups when interpretations of specific brand images were investigated (Hogg, Cox, and Keeling 2000).

2.5.4 Hedonic–Utilitarian shopping

Consumer attitudes have distinct hedonic and utilitarian components (Babin, Darden, and Griffin 1994). Utilitarian consumer behaviour has been described as task-oriented and rational (Batra and Ahtola 1991; Sherry 1990). Utilitarian shopping refers to shopping with a work mentality (Hirschman and Holbrook 1982).

Hedonic value is more subjective and personal than its utilitarian counterpart and results more from fun and playfulness than from task completion (Hirschman and Holbrook 1982). Hedonic shopping value reflects shopping's potential entertainment and emotional worth (Bellenger, Steinberg, and Stanton 1976). "The purchase of goods may be incidental to the experience of

shopping. People buy so they can shop, not shop so they can buy” (Langrehr 1991, p428). Increased arousal, heightened involvement, perceived freedom, fantasy fulfillment, and escapism all may indicate a hedonically valuable shopping experience (Bloch and Richins 1983; Hirschman 1983). In addition, vicarious consumption can provide hedonic value by allowing a consumer to enjoy a product’s benefits without purchasing it (MacInnis and Price 1987). Consumption of fashion is linked with emotional involvement (Levy 1959), symbolic meaning and lifestyle congruity (Levy 1963, McCracken 1989, Holman 1981). Shopping is more than just acquiring goods and services. It is also for experiential and emotional reasons. In addition, “hedonic consumption designates those facets of consumer behavior that relate to the multi-sensory, fantasy and emotive aspects of one’s experience with products” (Hirschman and Holbrook 1982). Luxurious fashion shopping is more a hedonic experience.

2.6 Summary

Literature concerning branding, social psychological theories and consumer behaviour relevant to this study has been discussed. In the next chapter, development of the brand owner-consumer-brand relation model will be discussed. In addition, development of research hypotheses for this study will also be presented.

Chapter 3

Brand owner-Consumer-Brand Relation model and development of research hypotheses

3.1 Overview

The goal of this chapter is to draw on Heider's Balance Theory in cognitive psychology to develop a theoretically-based model of brand owner-consumer-brand relationship. The rationale for developing this model is to broaden our understanding of the impact of brand owner on the consumers' perception of the brand.

This chapter begins with a brief description of Heider's balance theory and then it is applied to the balanced model of the brand owner-consumer-brand relationship. Exploratory research found that consumers are more concerned with, and aware of, the news of the brands and brand owners that they like, so this research began with testing the hypotheses on brands that respondents like first. In order to prove that the same balance theory can also be applied in the disliked brands, the disliked brand conditions have also been tested.

Different aspects of balance theory have been developed into hypotheses to test the proposed relationships between the brand owner, consumer and the brand using different methods, both traditional Heider's methods of counting numbers of balanced and imbalanced triads, Feather's abstract balance structure, as well as the modified method used by Greenwald, Banaji, Rudman, Farnham, Nosek, and Mellott (2002) in testing the balanced identity design. The dynamic part of Heider's theory has also been tested in the brand owner-consumer-brand relationship using the experimental method.

In addition, Heider suggested that consumers' characteristics will also influence their perceptions; as a result, implications of consumers' level of fashion perception, hedonic shopping preference and self-monitoring extent on brand owner effects have also been tested.

3.2 Balanced Triads in Brand owner-Consumer-Brand Relation

Heider's (1946, 1958) Balance theory (HBT) is a psychological theory on cognitive response and interpersonal relations (details as per session 2.5.1). It is comprised of a triad of a person (p), another person (o), and an entity (x) as shown in Figure 3.1. One of the aims of Heider's 1958 study is "to present some considerations that may be helpful in building a conceptual framework suitable to some of the problems in the field of interpersonal relationship" (p.4). In this study, this theory is borrowed from cognitive psychology to test if it can also be applied to study the triadic relationship between "charismatic" brand owner (O), brand (B) and consumer (C). The diagrammatic presentation is shown in Figure 3.2.

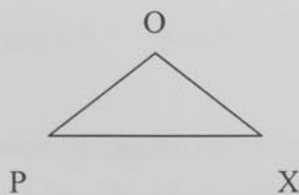


Figure 3.1 Heider's Basic Balance Model

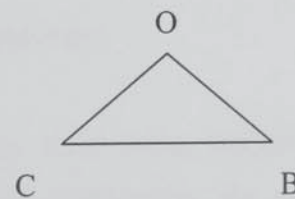


Figure 3.2 Balanced Model of Brand Relation

There are four possible conditions when relationships between the three parties are balanced and four possible imbalanced states as seen in Figure 3.3. The ideal state occurs when all three parties get along well '+ + +', or 'cLo, cLb, oUb' meaning the consumer likes the brand owner, he thinks the brand owner is positively related to the brand, so he likes the brand. In this condition, relationships are harmonious and no tension exists (Heider 1946, 1958).

Imbalance occurs when one of the three relationships is negative and the other two are positive '+ + -, - + +, + - +', as it is not cognitively consistent to suggest, for example, the consumer likes the brand owner, he hates the brand and thinks that the brand owner is positively related to the brand 'cLo, c~Lb, oUb'. There will be cognitive tension to balance the relationship, meaning that, when imbalance occurs, there is a tendency to cognitively restructure the relation so that a balanced state is achieved. Imbalance also occurs when all the three relationships are negative '- - -' (Figure 3.3). However, when all the three relationships are negative, the group will be dissolved (Phillips, Liu, and Costello 1989).

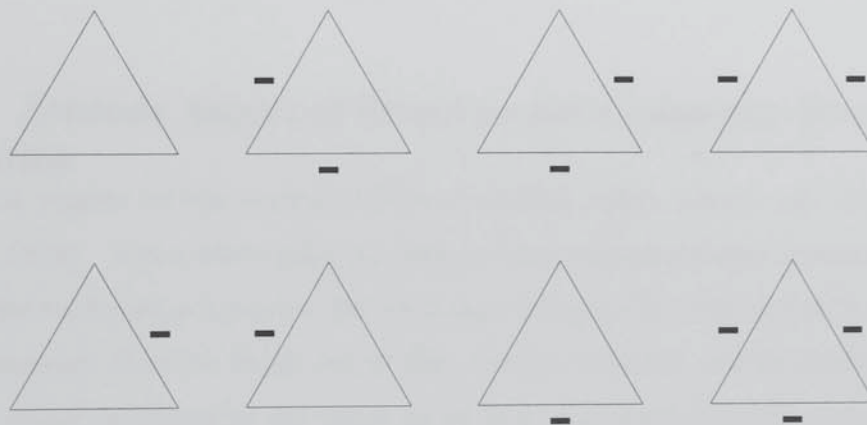


Figure 3.3 Possible balanced and imbalanced states

Heider proposed two major types of relations, these being attitude and unit relations. In the brand owner-consumer-brand relationship, the relationship between owner-consumer (O-C) and consumer-brand (C-B) can be both

attitude¹ (L) and unit (U) relations². However, the relationship between owner-brand (O-B), in the eyes of the consumer, will have only the unit (U) relation. This is fine with the balance theory as (Heider 1946, p.111) states “U relation is weaker than the L relation”. It is the attitude or sentiment aspect from the consumer’s perspective that is more important.

Since imbalanced states will produce tension and the person will cognitively reconstruct the perception so as to have a balanced state to release tension and achieve a state of harmony, one can assume that the probability of finding balanced triads in a sample is greater than 0.5.

Hypothesis One In the static brand owner-consumer-brand relation, there are more balanced triads than imbalanced triads.

When testing the model, the basic static relationship between brand owner, consumer and brand must be studied first.

3.3 Attitude Aspect of Brand owner-Consumer-Brand Relation

Attitude aspects include sentiment (like or dislike), value, esteem, etc. (Heider 1946, 1958). When interpreting the brand owner-consumer-brand relationship from the sentiment perspective, the ideal case in Figure 3.3 will be that ‘+ + +’ the consumer likes the brand owner (Mr. Giorgio Armani) and he thinks the brand owner is related to the brand so he likes the brand (Giorgio Armani / Armani Collection / Emporio Armani). The feelings towards the brand owner will have a significant influence on the preference of the brand. When the consumer likes the brand owner, there is a higher chance that the consumer will like the brand and vice versa.

¹ Attitude relation: such as like, love, etc.

² Unit relation refers to what is perceived as belonging together, which means as forming a unit.

Alternatively it can be interpreted as the consumer likes the brand (Giorgio Armani / Armani Collection / Emporio Armani) and he thinks it is the brilliant ideas and skills of the brand owner that makes the brand so attractive, so he likes the brand owner. As a result, the feelings towards the brand will significantly influence the perception of the brand owner and vice versa.

Hypothesis Two Attitude influences the brand owner-consumer-brand relation

H2a₁: The sentiment perception of the brand owner is positively associated with the sentiment perception of the brand.

When the consumer perceives sharing similar values and opinions with the brand owner, and they perceive the brand owner is linked with the brand, then they will think the brand is also sharing the same value, and vice versa. For example, when the brand owner holds that protecting the environment is very important, and the consumers share the same value and opinion, they perceive the brand owner is having full control of the brand, so they will perceive the brand is also sharing the same value and will use only environmentally friendly material and processes during the production.

H2b₁: Consumers' attitude towards the brand is positively associated with consumers' perception of the values and opinions associated with the brand.

H2c₁: Consumers' attitude towards the brand is associated with consumers' perception of the values and opinions held by the brand owner.

3.4 Unit Relation Aspect of Brand owner-Consumer-Brand Relation

Berscheid and Walster (1978) show that sentiments can induce unit relations³, for example, similarity between p and o can induce liking, and liking between p and o can induce perceived similarity. When the consumer likes / admires/ is fond of the brand owner, the consumer will prefer to own garments from the collection of the brand (H3a), whereas, when the consumer likes / is fond of the collection of the brand, the consumer would like to have a chance to meet the designer or get a signature from him (potential for future contact) (H3b).

Hypothesis Three Unit relation influences brand owner-consumer-brand relation

H3_{a1}: The perception of the brand owner is associated with unit relation towards the brand.

H3_{b1}: The perception of the brand is positively associated with unit relation towards the brand owner.

H3_{c1}: Unit relation with the brand is positively associated with unit relation towards the brand owner.

3.5 Dynamic Model

It is also of interest to test the dynamic side of the balance theory in the sense that whenever imbalance occurs the tension inside the person will catalyze a cognitive restructuring of the perception so as to maintain some kind of a balance. There are basically two main ways to destroy the balance state: providing some “negative” news concerning the brand owner when originally the consumers liked the brand owner; or providing some “very good and positive” news concerning the brand owner to change the negative feeling of consumers towards the brand owner. If we destroy the balance state, the imbalance will cause tension and cognitive restructuring before a new balance can be restored. This new balance may be achieved by rejecting new

³ Unit relation means entities belong together, such as ownership, proximity or potential for future contact.

information or by modifying the perception of different parties so as to maintain an acceptable balance between these parties.

Hypothesis Four When imbalance occurs, a new balanced triad will be restructured

H4₁: If we destroy the balanced state of perception, consumers restructure their perceptions into a new balanced triad. Among the restructured triads which arise from these adjustments, there are more balanced than imbalanced triads.

3.6 Influence of Personality on Brand owner-Consumer-Brand Relation

Aaker (1996) states that the CEO (Bill Gates of Microsoft) is one of the non-product-related attributes that shapes brand personality. Biel (1992) states the image of the provider of the product / service is one of the components of a brand image. In view of their findings, it would appear that the brand owner's personality affects the perception of the brand.

Hypothesis Five Perceived personality influences the brand owner-consumer-brand relation.

H5a₁: Perceived personality of the brand owner is associated with the perceived personality of the brand.

H5b₁: When the perceived personality of the brand owner is similar to that of the brand, the brand owner reinforces the brand.

Sirgy (1982) showed that consumers seek brands with personalities that are congruent with either their own or their sought-after (aspirational or ideal) personalities and use the brand's personality to help define, both for themselves and for others, their sense of self (Belk 1988). When consumers perceive that they share similar personality traits with the brand, then they will correspondingly like the brand.

H5c₁: When the consumer likes the brand, the perceived self-personality of the consumer is associated with the perceived personality of the brand.

H5d₁: When the consumer likes the brand, the brand shows the consumer's own personality.

Personality perception using Heider's balance theory can be represented as a projected triangle (SOB), where (S) is the consumer's (C) self-perceived personality, as shown in Figure 3.4. This projected triangle is named as an Adapted Balance Model. Consumer respondents are required to evaluate their self-perceived personality (S), their perceived personality of the brand owner (O) and their perceived brand (B) personality, such as using the developed Chinese Brand Personality Scale. Relationships between the consumer's (C) self-perceived (S) personality, the consumers' perceived brand owner (O) personality and the consumers' perceived brand (B) personality are then linked together in this Adapted Balance Model, as shown in Figure 3.4. This Adapted Balance Model is developed by the author. Consumers are asked to rate themselves, so it is consumers' perception of 'S', consumers' perception of 'O', and consumers' perception of 'B' that are rated in this (SOB) projected triangle.

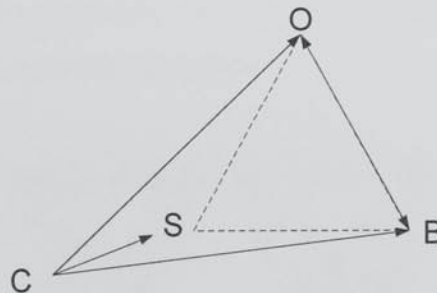


Figure 3.4 Adapted Balance Model - consumers' perception of self-personality, brand personality and brand owner's personality

Hypothesis Six The adapted balance model performs similarly to original balance model.

H6a₁: In the adapted perceived personality O-C-B relation, there are more balanced triads than imbalanced triads.

Feather (1971) proposed a structural model of communication effects based on Heider's work. Each balanced structure has elements that refer to a source or communicator (S) who is presenting a communication (C) about an issue (I) to a receiver or communicatee (R).

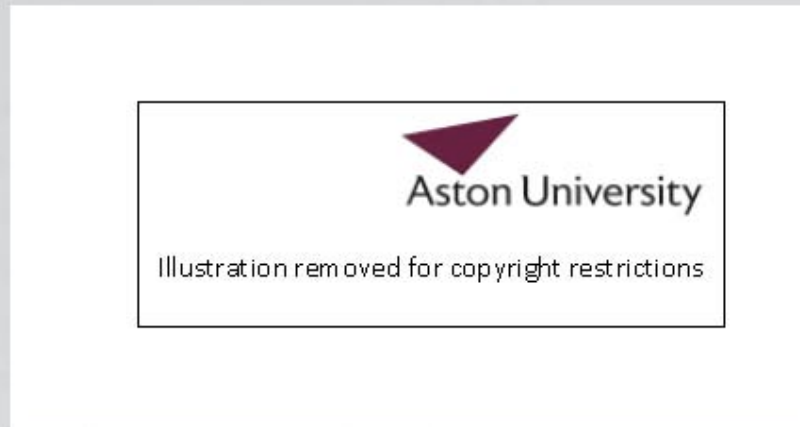


Figure 3.5 Feather structural model of communication
Source: Feather 1971

As shown in Figure 3.5, relations within the structures are unit (represented by brackets) and attitudinal (represented by lines) and can be positive (represented by solid line) or negative (represented by dotted line). The elements of the structure are coordinated to points of the s-diagraph.

The arrows on the lines describe the direction of each attitudinal relation and it may be observed that all semi-cycles shown in Figure 3.6 are positive, that is, in balance. The s-digraphs mentioned could be coordinated with both balanced abstract, and balanced perceived structures.

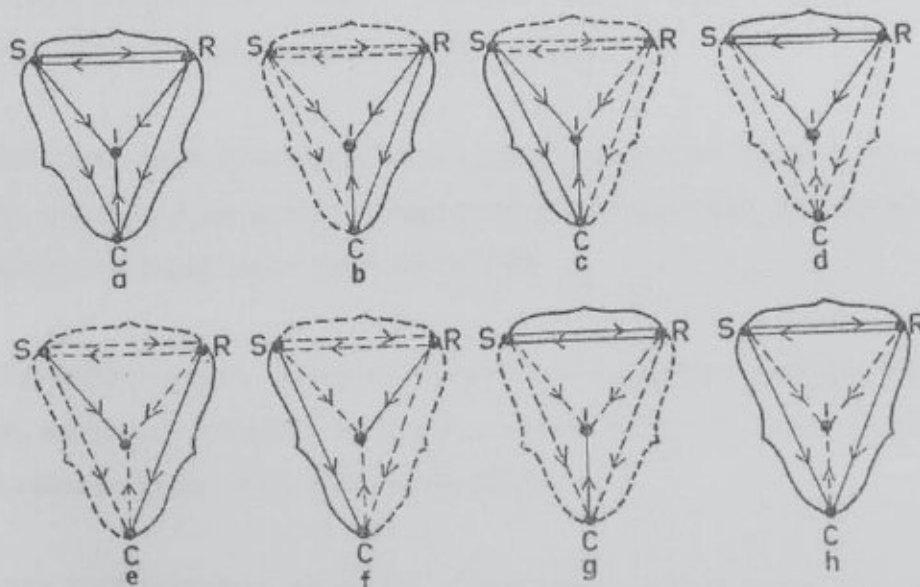


Figure 3.6 Signed diagrams representing eight communication structures in which all semi-cycles involving attitudinal and unit relations are completely balanced

Feather explained that this communicative model (Figure 3.6) has considerable predictive power. Provided that one knows any three relations that involve the four elements (S, C, I, R) of a structure, one can use the principle of structural balance to derive the remaining relations. This type of strategy can be employed in studies designed to map into the assumed balanced abstract structures.

Based on Feather's work are the assumptions that:

1. consumers' perceived brand personality is the same as consumers' self-perceived brand personality ($CB = SB$),
2. consumers' perceived brand owner personality is the same as consumers' self-perceived brand owners' personality ($CO = SO$), and
3. there are positive unit relation between brand owner and the brand, so consumers' personality abstract structure as shown in Figure 3.7 can be developed.

In this personality abstract structure (CSOB), there are four triangles, namely, consumer-brand-owner (CBO), consumer-self-owner (CSO), consumer-self-brand (CSB), and self-owner-brand (SOB) triangles:

1. The CBO triangle is composed of consumer's perception of brand personality (CB), consumer's perception of owner-brand relationship (OB), and consumer's perception of brand owner's personality (CO).
2. The CSO triangle is composed of consumer's perception of self-personality (CS), consumer's self-perceived brand owner personality (SO), and consumer's perception of brand owner's personality (CO).
3. The CSB triangle is composed of consumer's self-perceived personality (CS), consumer's self-perceived brand owner personality (SB), and consumer's perceived brand owner personality (CB).

4. The SOB triangle is composed of consumer's self-perceived of brand owner personality (SO), consumer's perception of owner-brand relationship (OB), and consumer's self-perceived brand personality (SB).

Hypothesis

H6b₁: In the consumer's personality abstract structure, there should be more balanced triads than imbalanced triads.

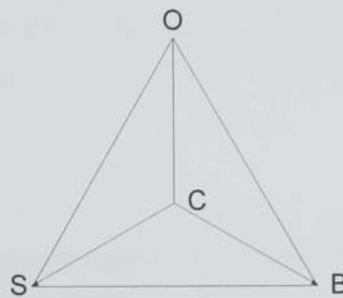


Figure 3.7 Personality abstract structure

Where, $SO = CO$
 $SB = CB$
 $OB = +$

So,

CBO	=>	CB,	OB,	CO
CSO	=>	CS,	SO,	CO
CSB	=>	CS,	SB,	CB
SOB	=>	SO,	OB,	SB

3.7 Influence of Brand Owner's Action on Consumers' Perception of Originally Liked and Originally Disliked Brands

Negative news and positive news were introduced so as to disturb respondents' original balanced states with their originally liked and disliked brands. It is of interest to understand the extent of influence of different brand owner's actions on consumers' perceptions of originally liked and disliked brands. These results will be very useful for brand owners to consider in relation to their behaviour, as well as for marketing and promotion managers in promoting the brand with the brand owner.

3.8 Impact of Consumers' Characteristics

The fashion proneness level shows the extent of the consumer's consciousness as well as involvement in fashion. McCracken and Roth (1989) note that the degree of fashion involvement may be a relevant variable in the interpretation of clothing codes and consumers having different degrees of involvement in fashion may have different views and attitudes.

As will be discussed in Chapter 5, the Fashion Involvement Factor (FIF) developed by Tigert, Ring, and King (1976), as well as items of fashion conscious scales (Wilkes 1992, Wells and Tigert 1971, Lumpkin and Darden 1982, Darden and Perreault 1976) have been updated, validated, and developed into a fashion proneness scale. This scale can be used in this study to understand the extent to which the respondents' perceptions of their own trendiness affect their perception of a brand and the brand owner.

Hypothesis Seven Consumer characteristics influence their perception of the brand owner.

H7a₁: High fashion perception consumers are more sensitive to the brand owner's actions.

Fashion proneness is likely to be associated with differences in sensitivity to social surroundings in that those who are highly motivated to fit into a particular group will need to be aware of the fashion cues not just of that group, but also of other less desirable groups so that the “wrong” cues may be avoided (Auty and Elliott 1998).

Psychologists and researchers in consumer behaviour have employed Snyder’s self-monitoring scale (Snyder 1974; Snyder and Gangestad 1986) to distinguish between people who are sensitive to social cues around them (high self-monitors) and those who are more likely to suit themselves whatever their social surroundings may be (low self-monitors).

High self-monitors are found to be more appearance-fashion-brand-conscious. Self-monitoring is related positively to materialism, to clothing involvement and to interest in marketplace events and brands (Brown and Kaldenberg 1997). High self-monitoring females are found to be more likely to be opinion leaders in clothing selection and to use clothing to attain social approval (Davis and Lennon 1985).

High self-monitors appear to be concerned with physical appearance and body image (Snyder and DeBono 1985; Sullivan and Harinish 1990). They are aware of the messages that clothing and other personal effects send and can report behaviours that would produce certain impressions (Snyder and Cantor 1980). They are more favourable towards image-oriented advertisement and more aware of and prefer visual props which reflect an image or status-orientation (Lennon, Davis, and Fairhurst 1988). In addition, they are more fashion conscious and more likely to believe that it is important that others like the brands that they purchased. They are also more likely to say that they would buy a branded product to achieve a sense of belonging (Browne and Kaldenberg 1997).

As a result, a self-monitoring scale has been employed in this study to investigate respondents' characteristics and the relationship between self-monitoring and perception of brand and brand owner.

Hypothesis

H7b₁: High self-monitors are more sensitive to the actions of the brand owner.

Consumption of fashion is linked with emotional involvement (Levy 1959), symbolic meaning and lifestyle congruity (Levy 1963, McCracken 1989, Holman 1981). Shopping is more than just acquiring goods and services. It is also for experiential and emotional reasons. In addition, "hedonic consumption designates those facets of consumer behavior that relate to the multi-sensory, fantasy and emotive aspects of one's experience with products" (Hirschman and Holbrook 1982).

The Creative directors or brand owners of International designer labels are highly talented and usually have very unique lifestyles. Consumers may have fantasy and emotional ties with them. It is therefore of interest to evaluate whether consumers having higher hedonic scores will be more influenced by brand owners. Babin, Darden, and Griffin (1994) developed hedonic utilitarian shopping scales on a particular shopping trip. Since this study is on general hedonic utilitarian shopping values, a modified scale (see further discussion in Chapter 5) was used.

Hypothesis

H7c: High hedonic shoppers are more influenced by behaviour of the brand owner.

3.9 Summary

Based on Heider's balance model of interpersonal relations between two persons and one object, a model of brand owner-consumer-brand relationship is proposed. Specifically, Hypothesis 1 pertains to the balanced triad of the relationship, for the basic static models. Hypotheses 2 a, b, c pertain to the attitude aspects of the relationship. Hypothesis 3 a, b pertains to the unit relation aspects of the relationship. Hypothesis 4 pertains to the dynamic triadic relationship. Hypotheses 5 a, b, c pertain to the influence of personality on the relationship. Hypothesis 6 a, b pertains to the adapted balance model operated as original balance relationship. Hypotheses 7a, b, c are associated with consumers' characteristics such as levels of fashion perception, self-monitoring and hedonic shopping behaviour. In the next chapter, the methodology for testing these hypotheses is discussed.

Chapter 4

Methodology

4.1 Overview

A research design is a road map or a framework for conducting the marketing research project that specifies the procedures necessary to obtain the information needed to structure and solve the marketing problem (Malhotra 2002). As discussed in Chapter One, the main objective of this research is to test Heider's Balance Theory in the brand owner-consumer-brand relation setting. This theory could be generalisable to different industries, for example, the food industry with restaurant and the chef, the building industry with architect and the building. This can be confirmed also by real life examples, such as Virgin and Richard Branson, Li-Ning of the Li-Ning brand of sports shoes; these are in the mass market instead of the luxury market.

In addition, the results are generalisable. Firstly, they are based on HBT that is well substantiated in other contexts (as showed in previous studies). Secondly, the hypotheses are developed from a general theory that explains both the static and dynamic situations and predicted status and deficiencies between variables.

The results, therefore, support the theory tested. However, the results are based on statistical significance so there will be exceptions. The generalization of the specific results relating to the brand owner may be less true for 'low involvement' products that are less image-based than fashion.

The selected fashion market of international designer labels is a very specialized luxury market. Consumers in this market segment are limited and their behaviour may be different from other market segments. In order to understand the situation better, a discovery-oriented approach - which includes real life experience and qualitative depth interviews with experts in the field - was taken.

As a consequence, different measures were used in this study. In order to have an unbiased and valid instrument, these measures were developed, validated and confirmed as reliable before being used in the main study. A separate study with 145 Chinese university students was conducted for this purpose (for details see Chapter 5).

Pilot studies were conducted to evaluate the applicability of the questionnaire and the experimental methods. Refinements were made before the main study took place. The questionnaire was evaluated by experts to ensure that there were no leading questions that might lead respondents to guess the expected answer (thereby minimizing the possibility of response bias).

In order to test the hypotheses formulated in Chapter 3, the method used in the traditional balance theory, as well as the extended methods developed by Feather (1971) and Greenwald, Banaji, Rudman, Farnham, Nosek and Mellott (2002) were employed to test different aspects of the Balance Theory.

Consumers' perceptions of the originally liked brand were used to test and develop the brand owner-consumer-brand relation model. Consumers' perceptions of the originally disliked brand were then used to test and confirm the developed model.

The influence of personality on the developed brand owner–consumer-brand relation model (O-C-B model) was tested using the developed Chinese brand personality scale (the details of the method of the development of this scale using 145 students subjects in a separate study are provided in Chapter 5).

The impact of consumer characteristics on the O-C-B model was tested with the developed fashion proneness scale and modified hedonic shopping scales (development and validation of these scales using 145 students subjects in a separate study are discussed in Chapter 5).

This research study has two sample populations. In scale development and validation, 250 questionnaires were distributed to Chinese university students because of difficulties in the subjects of the main studies being able to provide the time. Of these 250 questionnaires 181 were returned. After deleting missing data, there were 171 usable responses to the fashion proneness scale, as well as the hedonic and utilitarian shopping scales. For the brand personality scale, 36 out of 181 questionnaires were unusable due to patterns being spotted in the answers. Since some respondents completely answered the brand personality evaluation for 10 different brands, while some respondents completely answered the brand personality evaluation for 5 to 8 brands. This variation in the number of brands per respondent is acceptable as it is the perception on each brand that is important and evaluated, not the respondent. After deleting cases with lots of missing data, 1237 valid cases remained.

Subjects of the main study are customers of international designer labels (whose founder is still active as the Creative Director of the brand). With a snowball sampling technique, opinions and experimental data from 51 customers were collected.

Many qualitative interviews were conducted to gain a better understanding of consumer behaviour and ensure content validity. A brief research design with a summary of different qualitative interviews is shown in Table 4.1.

Table 4.1 Research Design with summary of qualitative interviews

Stage and details	Respondents
Scale development and validation (detail in Chapter 5)	
<i>Brand Personality Scale</i>	
- qualitative interview with expert judgement panel to assess the face validity of brand personality traits, (cultural issue)	One American who had lived in Hong Kong for over 10 years, two American Hong Kong Chinese, two Japanese who had lived in Hong Kong for over 10 years, one Hong Kong person who had lived in Japan for over 8 years, and two Hong Kong people who speak Spanish and had lived in Spain.
Testing the brand personality scale	145 Hong Kong Chinese university students
- another qualitative interview with fashion experts to assess the content validity of the developed and validated brand personality scale for the main study	27 fashion professionals, such as professors teaching fashion and fashion press
<i>Fashion Proneness Scale</i>	
- qualitative interview with fashion experts to assess the content and face validity of the fashion proneness scale	5 fashion educators
Testing the fashion proneness scale	171 Hong Kong Chinese university students
<i>Hedonic and utilitarian Shopping Scale</i>	
- qualitative interview with fashion experts to assess the content and face validity of the fashion proneness scale	5 fashion educators
Testing the hedonic and utilitarian shopping scale	171 Hong Kong Chinese university students
Discovery-oriented Study	
- visit different retail stores of targeted international designer labels	Researcher (in Milan, Hong Kong, London)
- qualitative interviews in Hong Kong	three distributors of these international designer labels, two sale assistants of the stores of these international designer labels, two fashion press, three designers and five fashion educators.
Pilot studies for the main study	
- Pilot study 1: test the questionnaire and asked if their perception of the brand owner would be affected if the brand owner did something wrong	3 customers of targeted international designer labels; in addition, they are familiar with the design director of these labels
- Pilot study 2: consumers were asked to suggest different wrong conditions that would have an impact on their perception of the brand owner before the survey began and their suggestions were used in the experimental stage to test the dynamic part of the Balance Theory	5 customers of targeted international designer labels; in addition, they are familiar with the design director of these labels
- after modifying the questionnaire and experimental methods, questionnaires were reviewed by expert panel to ensure they contained no leading or directing questions	2 experts in the field of marketing research
Main Study	
- questionnaire with experimental part and open-ended questions	51 customers of international designer labels with knowledge of the design director of these labels.

4.2 A Discovery-oriented Approach

Mahrer (1988) discussed the importance of taking a closer, discovery-oriented look into the area of interests so as to discover what there is to be understood. In the very beginning of this study, international designer labels were selected as the target of the investigation. In order to understand consumer behaviour and perceptions better, the researcher visited different retail stores of these international designer labels to gain an understanding of the real-life experiences of consumers.

Stores of the same international designer labels (for example, Giorgio Armani and Emporio Armani) in Milan, London and Hong Kong were visited. The researcher also shopped in these stores to gain an understanding of the shopping experience provided by the stores to their customers and observed the shopping behaviour of their customers. It was discovered that the shopping experiences in Milan, London and Hong Kong are very similar, likewise the services provided. These brands have coherent shopping experiences for global shoppers. For example, if a consumer likes the brand owner Giorgio Armani and shops for and wears the Giorgio Armani brand in Hong Kong, when he or she travels to London, he or she will find the same Giorgio Armani brand in London with coherent images and shopping experiences, projecting the same message and level of prestige. This is important as this guarantees the quality level and standard of the brand. In addition, it facilitates the consumer's perception of the brand owner-brand connections. In Heider's Balance Theory, a friend of my friend is my friend. I like Mr. Giorgio Armani, he is directing his Giorgio Armani brand, so I like the Giorgio Armani brand.

When fitting, the sale assistants made suggestions and told the customers that Mr. Giorgio Armani, the brand owner, told them the way to wear this particular outfit and so on. This also enhances consumers' perceptions about the importance of the brand owner and the connection between the brand owner and the brand. Consumers like the Giorgio Armani brand, and observe from the sales assistants that this is the way Mr. Giorgio Armani, the brand owner, puts a look together. Or consumers like Mr. Giorgio Armani, and when they are

shopping in his stores they observe from the sales assistants that Mr. Giorgio Armani, the brand owner, takes good care of his clients and has taught his staff members the way he would like the outfits to be worn.

Shopping was also deliberately done at the ready-to-wear level and diffusion level to observe the differences. It was found that the service level of the Giorgio Armani, ready-to-wear line was much higher than that of the Emporio Armani line. Likewise are the differences in the quality, style and workmanship of these two brands. The sale assistants in the Giorgio Armani store remember their customers' names and provide one-to-one tailored personal services. These personal experiences provided invaluable understanding of consumer behaviour, perceptions and expectations.

Another method taken in this discovery-oriented approach was qualitative depth interviews with experts and consumers. Experts included three distributors of these international designer labels, two sales assistants of the stores of these international designer labels, two fashion press, three designers and five fashion educators. All depth interviews were conducted by the researcher.

Malhotra and Birks (2003) mentioned that for depth interviews, interviewers have a set of questions and a topic guide to ensure they tackle all the issues they feel to be important. It can be in the format of unstructured that the order of questions and the nature of probes can be driven by the interviewer's perception of what will draw the best out of respondents. Alternatively, a depth interview can be semi-structured where parts of the interview use consistent and highly structured questions, with set response categories, interspersed with open-ended questions involving probes that suit the nature of the respondent.

Questions, such as "What is your opinion about the creative director's impact on the recognition of the brand/labels?" "For a study on the perception of International Fashion Designer labels, what are the brands that I should include for which the brand owner is still the active creative director for the brand?"

“What are the different components you will look at when evaluating a brand or brand owner?” were asked.

For distributors and sale assistants, additional questions like “who are usually your regular customers?” “What’s your opinion about ways that I can interview them?” were asked. In addition, ten consumers were asked briefly if they knew who was the brand owner or creative director of their favourite brand.

It was found that the consumers did know who was the brand owner or creative director for the brand they liked. Distributors and sale assistants mentioned that consumers are from different occupations and it is not possible to ask them about their salary range. Some consumers are very wealthy and some may actually save up several months of their salary to buy one item they like. There are no available statistics of the size of the consumers.

Staff of the stores of branded goods informed the researcher that their companies did customer surveys through posted mail with their own customers; however, the response rate was extremely low. They informed that it is impossible to have the interview or survey conducted in the stores as their customers usually do not have the time. However, one of them mentioned that usually people working in the business develop friendships with their customers, and she offered to introduce one or two of her customer friends as respondents to the research so that questions could be asked and the questionnaires completed in an informal setting. Afterwards, her customer friends could be asked if they, in turn, had friends who could help in this research. Slowly, the required number of responses was obtained.

For the brand owners’ impact on the brand, all experts mentioned that the brand owner is very influential in directing and promoting the brand. International designer labels are actually representing the brand owner. The projected taste, style, special character, and lifestyle of the brand owner will inevitably be revealed in their brands, though there are teams of persons working on the brands. However, different brand owners have different personalities,

characters and specialization, so it is complex to analyse them collectively. In addition to the image of the brand owner, the fitting or cut of the garments, the material used may also affect consumers' preferences. Responses from experts facilitated the development of the questionnaire for the interviews.

The suggested list of the designer labels to be included in this study includes: Giorgio Armani, Emporio Armani, Yohji Yamamoto, Jean Paul Gaultier, JPG, Marc Jacobs, Marc by Marc Jacobs, Roberto Cavalli, Comme des Garcons, Prada, Miu Miu, Vivienne Westwood, Atsuro Tayama, Calvin Klein, Vivienne Tam, Pierre Cardin, Donna Karan, DKNY, Dolce & Gabbana, D&G, Paul Smith, Christian Lacroix, Martin Margiela, Dries van Noten, and others.

4.3 Data Collection

The sample population was consumers of the international designer labels. The scope of this research was limited to consumers who customarily bought garments of the first line or the diffusion line. In addition, these consumers were familiar with the design director (brand owner) of these labels. A screening question was asked in the first warm-up part of the questionnaire to identify appropriate participants. Respondents were asked to name three to four designer labels, their like/dislike rating of these labels, whether they knew who the designer or creative director of these labels was, their like/dislike rating of these designer or creative directors and what type of items they had bought from these labels (see Appendix Four). This excluded those consumers who only bought accessories, or cosmetics, etc. of these international designer labels, as well as those did not know who the brand owner was.

In snowball sampling, an initial group of respondents is selected, sometimes on a random basis, but more typically targeted at a few individuals who are known to possess the desired characteristics of the target population. After being interviewed, these respondents are asked to identify others who also belong to the target population of interest. Subsequent respondents are selected based on referrals. The main objective of snowball sampling is to estimate characteristics that are rare in the wider population. The major advantage of

snowball sampling is that it substantially increases the likelihood of locating the desired characteristic in the population. It also results in relatively low sampling variance and costs (Malhotra and Birks 2003). A limitation of this technique is that it is generally referred to as non-probability sampling. In addition, the referrals will have demographic and psychographic characteristics more similar to the persons referring them than would occur by chance.

This technique was employed as the best alternative based on the results of the expert interviews. All interviews were conducted by the researcher herself, in order to maintain the consistency of all interviews. Distributors were asked to introduce their customer friends as participants for in study. Friends were also asked to introduce appropriate participants. The respondents were in turn asked if they had friends who could be introduced to participate in the study. The assumption was based on common interest, as those who wear designer labels usually know others that wear them (though perhaps not the same labels).

A structured questionnaire with both structured and open-ended questions was used (see Appendix Four). The time used for each participant ranged from 1.5 hours to 2.5 hours including the experimental parts. The data collection period coincided with the SARS epidemic in Hong Kong, and the majority of the data collection was done through face-to-face interview by the researcher. However, due to the special circumstances, at the request of the respondents a few interviews were web-based through e-mail with the same structured questionnaire.

4.4 Measures Development

Valid measurements are the core of any scientific research. It is important to collect unbiased and relevant data about the characteristics being measured. As hypothesized in Chapter 3, **perceived personality influences brand owner-consumer-brand relation. When the consumer likes the brand, the brand shows the consumer's own personality. In the adapted perceived personality O-C-B relation, there are more balanced triads than**

imbalanced triads. It is important to have an appropriate personality scale to collect consumer's self-perceived personality, consumer's perception of the brand owner's personality and consumer's perception of the brand's personality. As Aaker, Martinez, and Garolera (2001) advised, different brand personality scales and dimensions are required due to cultural differences.

Berry (1969, 1989) proposed there are three research orientations in cross-cultural psychology, namely imposed etic, emic and derived etic. In the imposed etic approach, theories and research instruments developed in culture A are imposed on culture B. This is assumed by the researcher to be a valid basis for studying phenomena in another culture. For the emic approach, indigenous instruments and methods of research with the expectation of developing substantial theories or models specific to that local culture are used. However, the measure developed is specific to that particular culture and if measures developed in different cultures are mutually exclusive it is not possible for a comparison between cultures. The derived etic approach enables cultural comparisons of common aspects. It starts with initial research in culture A (step 1 – emic A) and then the application of the concept or measures developed to study behaviour in another culture B (step 2 – imposed etic), then discovery of new cultural-specific elements in that another culture (step 3 – emic B), and finally comparison of emic A & emic B. When there is no similarity, comparison is not possible. When there are some similarities (the derived etic), comparison between cultures is possible.

In this research, the Chinese brand personality scale was developed and validated with a modified imposed-etic approach based on the results from previous studies (Aaker 1997; Aaker, Martinez, and Garolera 2001). The modified imposed-etic approach was taken because, first, the scale is not the main focus of the study, it is a measure that needs to be culturally validated before use; second, globalization has already minimized cultural differences and the three cultures involved in this study (American, Spanish and Japanese) are key players in shaping today's economy; and last, the validated scale is used to evaluate international brands and their owner. However, a disadvantage of

this approach is that cultural-specific aspects are not explored. Since finding out similarity between cultures is not the aim of this research, the derived etic approach was not used. Traditional established scale development procedures suggested by Churchill (1979), and De Villes (1991) were followed. Content validity with expert panels, test-retest reliability and internal consistency were applied and confirmed (details are shown in Chapter 5, Section 5.3).

It was hypothesized in Chapter 3 that **high fashion perception consumers are more sensitive to the brand owner**, therefore, an appropriate scale measuring the respondents' level of fashion perception was required. However, a similarity of items in fashion involvement scales and fashion conscious scales (Well and Tigert 1971; Tigert, Ring, and King 1976; Darden and Perreault 1976) was found and some words were found to have changed meaning with time. As a result, fashion proneness was developed and validated using the established scale development method together with content and construct validity and reliability tested and confirmed (details are shown in Section 5.4).

It was also hypothesized in Chapter 3 that **high hedonic shoppers are more influenced by the brand owner**: however, the available hedonic and utilitarian shopping scale (Babin, Darden, and Griffin 1994) was based on a particular shopping trip. As a result, for this research, a general hedonic and utilitarian shopping scale was validated using the established scale development procedures with content validity and internal consistency reliability applied and confirmed.

4.5 Pilot Study

Two pilot studies were conducted to test and refine the questionnaire, as well as to assess the applicability of the dynamic part of Heider's Balance Theory in this brand owner-consumer-brand relation.

In the first pilot study, three consumer respondents were asked if their perception of the brand owner would be affected if the brand owner did

something wrong. In this pilot study, the initial questionnaire was tested and the applicability of the dynamic part of the Balance Theory was confirmed.

In the second pilot study with five consumers, consumers were asked to suggest different wrong conditions that would have an impact on their perception of the brand owner before the survey began and their suggestions were used in the experimental stage to test the dynamic part of the Balance Theory.

They were concerned about the brand owner maintaining standards, the rate of expansion of the brand owner's business as well as whether there were changes in the brand owner's character/style/identity. In addition, they commented that for their liked brand, if the brand owner did something that could be considered to be unethical to him / herself, they would tend to overlook the issue. Questionnaires and experimental methods were modified after comments had been given. Afterwards, questionnaires were reviewed by two experts in the field of marketing research to ensure they contained no leading or directing questions to which the respondents could guess the expected answers.

4.6 Split-half Method

In scale development the split-half method is used where data is separated into two sets, one set for development and another set for confirmation. This was used in the development of the Chinese brand personality scale in this study. In the main study of this research, another split-half method was used.

The development of the brand owner–consumer–brand relation model using Heider's Balance Theory was based on results concerning consumers' perception of the originally liked brand. The most important property of the Balance Theory is whether perception triads balanced. This property was tested using appropriate methods of previous Balance Theory studies. Balance Theory tested two types of relations, namely attitude and unit relation. These two

aspects were also tested in the proposed brand owner–consumer–brand relation model.

Afterwards, this developed O-C-B model was tested and confirmed with consumers' perceptions of the original disliked brand using the same measures and procedures.

4.7 Questionnaire Design

The questionnaire was used as a means to collect data for studying both the static and dynamic part of the theory. Respondents' perceptions of both their favourite and unfavourite or less favourite brands and their brand owners were evaluated, as were their perceptions about the extent of relationships between the brand owner and the brand. Each questionnaire included 7 sections (see Appendix Four).

4.7.1 Section one

The first section served as a screening and warm-up section. In the first question, respondents were asked to name three to four designer labels, as well as their designers or creative directors. Data gathered included their ratings for liking/disliking these brands and brand owners, whether they bought the products and, if so what items they purchased from these brands.

Respondents were thanked and the interviews were terminated if they could not name the designer or creative director of the designer labels. This question was used to screen out appropriate consumers, who were then asked to evaluate self-perceived personality using the developed and validated Chinese Brand Personality Scale (details as per Chapter 5), fashion proneness, and hedonic shopping levels using respective scales developed (details also as per Chapter 5) using a 6-point Likert Scale and other relevant personal background information. A 6-point Likert Scale was employed because of the Chinese inclination to 'mean' as explained in Chapter Five. Responses to these scales were used to test Hypothesis 7: **consumer characteristics influence the consumer's perception of the brand owner.**

4.7.2 Section two

The second section concerned respondents' perceptions of favourite and bought brand. It began with the list of international designer labels suggested by the expert group for respondents to choose two of the brands they liked and bought, and two of the brands they disliked or liked less. They named the type of item they had bought from these brands, as well as the frequency of visits.

Respondents were then asked to name the designer or creative director of the brands and to select the one for whom they could best evaluate the perceived personality of the brand owner.

For the selected brand, respondents stated the extent to which they liked /disliked the brand using the 8 different signifiers suggested by the expert team, namely style, quality, design philosophy, special character, fitting/cut, types of material used, lifestyle and collection of the brand, using a 6-point Likert scale ranging from strongly dislike (1) to strongly like (6). These responses were used to test hypothesis 1, 2a, 4. In addition, within this group, respondents were asked to evaluate the extent to which they liked the brand owner. This response was used to test hypothesis 2a.

In addition, respondents had to state the extent of their agreement and disagreement to a set of statements using a 6-point Likert scale ranging from strongly disagree (1) to strongly agree (6).

Statements for measuring attitudes were as follows: this brand is managed with the same philosophy that I hold, this brand suits my lifestyle, and this brand fits my taste. They were used to test hypotheses 2b, and 2c. Statements for measuring unit relations were: I like this brand so I would like to meet the designer, I like this brand so I would like to have my photo taken with the designer, and I like this brand so I would like to have the designer's autograph. They were used to test hypotheses 3a, 3b and 3c.

In addition, respondents had to advise the extent of descriptiveness of the 18 Chinese brand personality scale items in describing the selected brand - also with a 6-point Likert scale. The reason for using a 6-point Likert scale was the same as stated in Chapter 5, this being the Chinese cultural characteristic of *Mean*, 'without inclination to either side' (Yau 1994). These responses were used to test hypotheses 5a, 5c, 6a, and 6b.

4.7.3 Section three

The third section was comprised of the self-monitoring scale items. This section directed respondents' attention away from their perception of brand as well as testing hypothesis 7b.

4.7.4 Section four

The fourth section targeted the respondents' perceptions of their favourite brand owners, as well as their perception of the extent of relationship between the brand owner and the brand.

Respondents were asked to evaluate the extent of their like/dislike level, using the same 8 criteria suggested by the expert team of the brand owner, and a 6-point Likert scale to indicate the extent of their agreement or disagreement to a set of statements concerning the brand owner. These responses were used to test hypotheses 1, 2a, and 4. In addition, respondents were asked to state the extent to which they liked/disliked the brand in this section. This response was used to test hypothesis 2a. Furthermore, respondents were asked to state the extent of the descriptiveness of the 18 Chinese brand personality scale items in describing the brand owner, all with a 6-point Likert scale. These responses were used to test hypotheses 5a, 6a, and 6b.

Statements for measuring attitudes were as follows: I think that we share similar values and opinions, I think we have similar tastes, and I think we have the same lifestyle. These were used to test hypothesis 2c. Statements for

measuring unit relations are: I like the designer so I buy his branded merchandise, and I like the designer so I visit his stores. These were used to test hypothesis 3a.

In addition, respondents' perception of the extent of relationship between the brand and the brand owner (designer/creative director) for the 8 different criteria were also evaluated using a 6-point Likert scale. These perceptions were used to test hypotheses 1 and 2a.

4.7.5 Section five

Section five was a 'what if' section. It was the experimental part of the study to test the dynamic part of the theory and had two parts.

The first part introduced negative news concerning the brand owner, such as: he or she has lost his or her character/style/identity, has expanded the business too rapidly, or he or she cannot maintain the previous standard.

Respondents were then asked to state their overall perceptions (like/dislike levels) of the brand, the brand owner, as well as their perception of the relationships between the brand owner and the brand after hearing negative news.

The second part introduced negative ethical news concerning the brand owner, and respondents were asked to evaluate their overall perceptions afterwards. These two parts, which introduced different forms of negative news, disturbed respondents' previous balance and hence tested hypothesis 4 - the dynamic part of the Balance Theory.

4.7.6 Section six

Section six was concerned with respondents' perceptions of unfavourite or less favourite brands as well as the brand owner. It used the 8 different attributes and different statements as previously discussed and 6-point Likert scales were used. Respondents were also asked to evaluate the extent of relationships between the brand which they liked the least and the corresponding brand owner. Responses from this section were used to test hypotheses 1, 2a, 2b, 2c, 3a, 3b and 3c, to confirm the static brand owner-consumer-brand relation model.

4.7.7 Section seven

Section seven was another 'what if' section, included to test the dynamic part of the Balance Theory. This section was introduced in order to measure respondents' responses to positive news about their least favourite brand owners. Respondents were asked to state their overall perceptions (like/dislike levels) of the brand, the brand owner, as well as their perception of the relationships between the brand owner and the brand after receiving positive news. Responses from this section were used to test hypothesis 4 and to reconfirm the dynamic part of the brand owner-consumer-brand relation model.

4.8 Experimental Design

The dynamic part of Heider's Balance Theory was originally tested with 2 X 2 repeated measure experiments, resulting in 4 conditions. There were two independent variables, namely brand and introduction of contrasting news concerning brand owner. Each has two levels, namely liked or disliked brands; as well as before and after introducing contrasting news concerning brand owner. The same subject was asked to evaluate all conditions.

		Introduction of contrasting news concerning brand owner (A)	
		Before	After
Brand (B)	Liked		
	Disliked		

Figure 4.1 2 X 2 experimental design

In response to comments from respondents in the pilot study that their perception of the brand owner having committed something unethical will be different, the change of respondents' perception when their favourite brand owner committed something unethical was also investigated.

		Introduction of news concerning brand owner committed something unethical	
		Before	After
Liked brand			

Figure 4.2 1 X 2 experimental design

4.9 Data Analysis Techniques

In this study attention was paid to the task of selecting appropriate analytical tools based on problem solving instead of being technique oriented (Hooley and Hussey, 1999). Simple methods are preferred to complex ones. Methods used by researchers in Balance Theory are referenced and used for this study when appropriate. As a result, the analysis started with counting the number of balanced and imbalanced triads.

4.9.1 Determination of mid-point

This study used a 6-point Likert scale instead of dichotomized preferences. As discussed in Chapter 2, Mahazab and Feger (1985) justified algorithmically a balance measure to quantitative measure relations for triads. Based on the positioning of a threshold, the scale is divided into positive and negative parts and one of the balanced modes determined. As a result, determination of the threshold point (mid-point value) is very crucial. In this study, three different methods of determining the mid-point were used. As a result, three different midpoints, namely, 'arbitrary midpoint', 'all conditions mean midpoint', and 'liked-disliked static means midpoint', were used to determine the plus (+) or minus (-) sign of the results to test the hypothesis of the Balance Theory.

The first one was the 'arbitrary midpoint' for which the value 3.5 was taken arbitrarily as the mid-point of a 6-point Likert scale. The second method involved adding all the means of consumers' perception of brand owner, consumers' perception of brand, and consumers' perception of owner-brand relationships in all the five conditions tested, namely Condition One with liked brand, Condition Two with disliked brand, Condition Three with originally liked brand after receipt of negative non-ethical news of the brand owner, Condition Four with the originally liked brand after receipt of negative ethical news of the brand owner, and Condition Five with the originally disliked brand after receipt of positive non-ethical news of the brand owner. This resulted in an 'all conditions mean midpoint', which was equal to 3.5 as per Table 4.1 below.

Table 4.2 Averaged means of all conditions

Conditions	Brand (B)	Owner (O)	Owner-brand Relationship (OBR)	No of cases	Average
1. Originally liked brand	4.90	4.67	4.86	51	4.81
2. Originally disliked brand	2.27	2.20	4.47	50	2.98
3. Originally liked brand with negative non-ethical news of brand owner	2.18	2.3	4.57	51	3.01
4. Originally liked brand with negative ethical news of brand owner	3.37	3.01	4.13	51	3.50
5. Originally disliked brand with positive non-ethical news of brand owner	2.93	2.92	4.18	50	3.34
Averaged	3.13	3.02	4.44		3.53

The third method was to add the means of static models. As shown in Table 4.2, the means of originally liked and disliked brand are included. This resulted in a “liked-disliked static means midpoint”, which in this case was equal to 3.90.

Table 4.3 Liked-disliked static means midpoint

Conditions	Brand (B)	Owner (O)	Owner-brand Relationship (OBR)	No of cases	Average
1. Originally liked brand	4.90	4.67	4.86	51	4.81
2. Originally disliked brand	2.27	2.20	4.47	50	2.98
Averaged	3.60	3.44	4.67		3.90

4.9.2 Z-test for proportion

When the hypothesis involves proportions, the Z test (Cass 1973) can be used to determine whether the difference between proportions is greater than would be expected because of sampling error. If specified, the level of sampling error (α) is equal to 0.05 (95 percent confidence level), and the table value of Z (critical) is 1.64. The Z-test statistic was calculated as follows:

$$Z = \frac{\text{(Observed proportion - Proportion under null hypothesis)}}{\text{Estimated standard error (S}_p\text{)}}$$

having estimated standard error (S_p) = $\sqrt{P(1-P)/(n)}$, where P = proportion specified in the null hypothesis and n = sample size

In this research, the hypotheses involved a comparison of the proportions of having more balanced than imbalanced, or more liked than disliked, etc. Null hypothesis H_0 had a proportion less than or equal to 50 percent ($P \leq 0.50$). Alternative hypothesis H_1 had a proportion of larger than 50 percent ($P > 0.50$). The Z-test was used to test the statistical significance of comparing two percentages.

4.9.3 Chi square test of independence (association)

The chi-square test was used to test if there were any significant differences between the two independent variables. It is common to present data derived from such a test method in a contingency table. The levels of one variable are represented in different rows and the levels of the other variable in different columns.

The chi-square test is based on the difference between observed frequencies and the frequencies that are expected if the null hypothesis is true. The null hypothesis often states that the frequencies will be equal in all variables. The chi-square test is computed as the summation of the square of the observed frequency minus expected frequency divided by expected frequency,

$$X^2 = \sum (O - E)^2 / E$$

where expected frequency is calculated by dividing the multiplicative product (of row total and column total) by the grand total.

$$E = ((\text{row total})(\text{column total})) / \text{grand total}$$

For a chi-square test of independence, the number of degrees of freedom is given by:

$$df = (r-1)(c-1)$$

where r = number of rows, and c = number of column

In this research, the chi-square test was used to test if the brand perceptions of consumers before and after introducing contrary news of the brand owner are statistically different.

4.9.4 Correlation

Correlation is a measure of relationship or association. It involves measuring the closeness of the relationship between two or more variables, and it considers the joint variation of two measures (Churchill and Iacobucci 2002). The main result of a correlation is called the *correlation coefficient* (or " r "). It ranges from -1.0 to +1.0. The closer r is to +1 or -1, the more closely the two variables are related.

If r is close to 0, it means there is no relationship between the variables. If r is positive, it means that as one variable gets larger the other gets larger. If r is negative it means that as one gets larger, the other gets smaller (often called an "inverse" correlation).

While correlation coefficients are normally reported as r = (a value between -1 and +1), squaring them makes them easier to understand. The square of the coefficient (or r square) is called the coefficient of determination, and is equal to the percent of the variation in one variable that is related to the variation in the other. After squaring r , the decimal point is ignored. An r of .5 means 25%

of the variation is related (.5 squared = .25). An r value of .7 means 49% of the variance is related (.7 squared = .49).

4.9.5 Factor analysis

Factor analysis is a multivariate statistical technique that is concerned with the reduction of data and substantive interpretation. It is one of the popular “analysis of interdependence” techniques (Churchill and Iacobucci 2002). The first purpose is to summarize the relevant information in a set of observed variables by a new smaller set of variables manifesting that which is common among the original variables. The second purpose involves the identification of the constructs or dimensions that underlie the observed variable.

The technique used in this research is the principal component analysis with varimax rotation. This is the most commonly used technique in scale development for extracting factors or dimensions (DeVellis 1991).

4.9.6 Hierarchical multiple regression with interaction terms and residual centering approach

The regression analysis technique was used as in Greenwald, Banaji, Rudman, Farnham, Nosek and Mellott (2002)’s study. Two regression models were estimated. In this first model, or the main-effects only model, the dependent variable was the consumers’ perception of the brand (B). The independent variable was the interaction variable $O \times Obr$, which was a multiplicative function of the consumers’ perception of brand owner and consumers’ perception of brand owner–brand relationship.

In the second model, or so-called full effects model, the dependent variable was the same as in the main effect only model. However, the independent variables included more. In addition to the interaction variable, interaction’s two component variables, consumers’ perception of brand owner (O), and

consumers' perception of brand owner–brand relationship (Obr), were added as separate predictors.

$$B = b_0 + b_1(O \times Obr) + e \dots (1)$$

$$B = b_0 + b_1(O \times Obr) + b_2(O) + b_3(Obr) + e \dots (2)$$

where B = consumer's perception of brand, O = consumer's perception of brand owner, and Obr = consumer's perception of owner-brand relationship

These models were used instead of more traditional ones¹ because Greenwald developed the theory based on the balance-congruity principle that when two unlinked or weakly lined nodes share a first-order link, the association between these two should be strengthened or should develop into a mutual association. When each of two nodes is linked to the same third node, the two are said to have a shared first-order link.

As a result, for this brand owner-consumer-brand relation, the existence of brand owner-brand (Obr) and brand owner-consumer (O) associations constitutes a network fragment with a shared first-order link, as both the brand and the consumer were linked to the brand owner. **For this configuration, the consumer-brand association (B) should develop in proportion to the product of the strengths of the brand owner-brand (Obr) and brand owner-consumer (O) link.**

In other words, the consumers' perception of brand was the product of the strengths of the consumers' perception of the brand owner and the consumers' perception of brand and brand owner relationships. This explains why the multiplicative form (**O x Obr**) was used in the first formula. That is, if either the brand owner-brand (Obr) or the brand owner-consumer (O) link is of zero strength, then there is (a) no shared link and (b) no tendency to form the third consumer-brand association (B) link. This is because 'zero' times anything equals 'zero', meaning no relationship or association. In addition, 'positive'

¹ Traditional models: $C = b_0 + b_1(A) + b_2(B) + e$ (a)
 $C = b_0 + b_1(A) + b_2(B) + b_3(A \times B) + e$ (b)

times 'positive' equals 'positive', 'negative' times 'negative' equals 'positive', 'positive' times 'negative' equals 'negative', etc.

When expressed numerically, that is, $B = O \times Obr$, we can have the following cases can occur: '+' * '+' = '+'; '-' * '-' = '+'; '+' * '-' = '-'; '-' * '+' = '-'; '0' * 'x' = '0'. This shows that when consumers' perception of the brand is explained solely by the interactive term (main-effect model), all the triads are balanced (having either all positives or having two negatives and one positive).

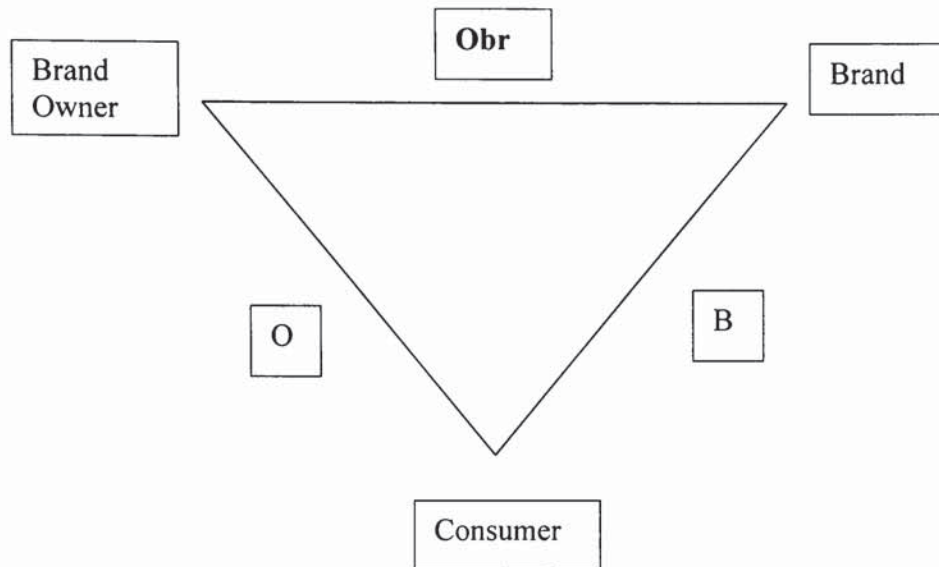


Figure 4.3 Brand owner–consumer–brand model design

However, these models used by Greenwald have some problems. As shown above, the first model has only the interactive term, and in the second model there are the interactive variables, together with the interaction's two component variables. In the second model, b_1 will not be stable as there are high correlations between b_1 , b_2 and b_3 . Multi-collinearity problems are very likely present and will affect results. Greenley (1999) noted that there are many ways to solve the multi-collinearity problems. However, special attention has to be taken in selecting the appropriate method.

In the second model, since the interactive variable, together with interaction's two component variables were present, multicollinearity problems were very likely present and could affect results; as a consequence, the “residual centering” regression approach (Bottomley and Doyle 1996; Lance 1988) was used, which could: 1) substantially reduce the multicollinearity between the exogenous variables; 2) reduce the standard errors; 3) separate interaction and other effects, and 4) enable the relative importance of the interaction and other variables to be identified.

The ‘residual centering’ regression approach involves a two-stage process. In stage 1, the interaction term $O \times Obr$ is regressed on the individual variables

from which it is composed using ordinary least squares. As the data for **O** and **Obr** are available, it is easy to get the prediction value of **O x Obr** by using a regression equation (3). Subtract the prediction value from the observation value by using equation (4), then the residuals of **O x Obr** are calculated. The residuals of **O x Obr** capture the variance associated with the interaction term that is not explained by the two component variables **O** and **Obr**.

$$\mathbf{O \times Obr} \text{ (prediction)} = b_0 + b_1 \mathbf{O} + b_2 \mathbf{Obr} \quad (3)$$

$$\mathbf{O \times Obr} \text{ (resid)} = \mathbf{O \times Obr} \text{ (observation)} - \mathbf{O \times Obr} \text{ (prediction)} \quad (4)$$

In stage 2, the residual term **O x Obr** (resid) is then substituted directly for the original interaction term **O x Obr** into the full effects model and estimated using OLS, thereby surmounting the multicollinearity problem as follows:

$$\mathbf{B} = b_0 + b_1(\mathbf{O \times Obr} \text{ resid.}) + b_2(\mathbf{O}) + b_3(\mathbf{Obr}) + e \quad (5)$$

As a result, the modified regression models used for this study are as follows:

$$\mathbf{B} = b_0 + b_1(\mathbf{O \times Obr}) + e \quad (6)$$

$$\mathbf{B} = b_0 + b_1(\mathbf{O \times Obr} \text{ resid.}) + b_2(\mathbf{O}) + b_3(\mathbf{Obr}) + e \quad (7)$$

Where **B** = consumer's perception of brand, **O** = consumers' perception of brand owner, and **Obr** = consumers' perception of owner-brand relationship, resid. = residuals

4.10 Analyzing Hypotheses

In this research, different methods were employed to test one hypothesis. In this section the methods used to analyze each hypothesis will be discussed in detail.

4.10.1 Hypothesis 1

Hypothesis 1 was used to test if there were more balanced triads than imbalanced triads in the brand owner-consumer-brand relation. The three mid-points specified in section 4.9.1 were used to determine whether consumers had positive or negative perceptions of brand, brand owner and owner-brand relation.

These results were used to determine the type of balance mode relation the consumers had in the brand owner-consumer-brand relation. Namely, a consumer had a positive perception of the brand, positive perception of the brand owner and thought there was a positive unit relation between the brand owner and the brand '+ + +' or in short 'balanced 1'; a consumer had a negative perception of the brand, negative perception of the brand owner and thought the brand owner and the brand had a positive unit relation '- - +' or in short 'balanced 2'; a consumer had a negative perception of the brand, but positive perception of the brand owner and thought that the brand owner had nothing to do with the brand '- + -' or in short 'balanced 3'; and a consumer had a positive perception of the brand, but negative perception of the brand owner and thought the brand owner had nothing to do with the brand '+ - -' or in short 'balanced 4', as these are the four balanced balance modes.

The four imbalanced modes are: consumer had a positive perception of the brand, positive perception of the brand owner and negative perception of the owner-brand relation '+ + -' or in short 'imbalanced 5'; a consumer had a positive perception of the brand, negative perception of the brand owner but thought the brand owner had a unit relation with the brand '+ - +', in short 'imbalanced 6'; a consumer had a negative perception of the brand but positive perception of the brand owner and thought the brand owner was positively

related to the brand '- + +', in short 'imbalanced 7'; and a consumer had a negative perception of the brand, negative perception of the brand owner and negative perception of the owner–brand relation '- - -', in short 'imbalanced 8'.

As per of the traditional methods of analysing Balance Theory, the number of triads in each mode and with each midpoint was counted, and both the frequency distribution and the proportion of balanced and imbalanced triads were computed. The Z-test of proportion was then used to find out if the resulting percentage had a statistically significant larger proportion than the null hypothesis, which is 50 percent in this research. When the computed Z score was larger than the Tabled Z score, the null hypothesis was rejected.

The second method used in testing this hypothesis was the modified model of Greenwald, Banaji, Rudman, Farnham, Nosek and Mellott (2002) with residual centering approach, which is a 2-step hierarchical regression analysis that (a) includes only the interaction effect term in the first step, and (b) uses the residual of the interaction effect term and the interaction's two component variables as separate predictors in the full effect model Step 2. The method and rationale behind were specified in Section 4.9.6.

4.10.2 Hypothesis 2

This hypothesis was used to test the attitude aspect of the brand owner–consumer–brand relation, such as if **sentiment perception of the brand owner is positively related with the sentiment perception of the brand, or consumers' attitude towards the brand is associated with a consumers' perception of the values and opinions held by the brand owner.** Percentages of agreement to different statements were calculated and Z scores of proportion were computed. In addition, consumers' degrees of liked / disliked brand when they liked / disliked the brand owner were gathered, proportion computed and Z-tests were applied. Balance modes results were also used to study the associations for the sentiment aspect (H2a).

4.10.3 Hypothesis 3

This hypothesis was used to test the unit relation aspect of the brand owner–consumer–brand relation (O-C-B), such as if **the perception of the brand owner is associated with unit relation towards the brand**, or the **perception of the brand is positively associated with unit relation towards the brand owner**. Percentages of agreement to different statements were calculated and Z scores of proportion were computed.

4.10.4 Hypothesis 4

This hypothesis tested the dynamic part of the Balance Theory, which states that the model will re-balance after the balanced state has been destroyed. Results of consumers' perception before and after the introduction of contrary news of the brand owner were analyzed. The three specified mid-points were used to determine positive or negative perceptions of the relationships. The number of triads in each balance mode of each type of midpoints was counted and the frequency distribution and Z-score of proportion were computed. Proportions of balanced and imbalanced triads before and after the news were compared and chi-square statistics computed with contingency tables constructed for analysis.

4.10.5 Hypothesis 5

This hypothesis tested the influence of personality on the brand owner–consumer–brand relation. Pearson's correlation coefficients were employed. Correlations between the perceived personality of brand owner and that of the brand, as well as correlations between perceived self-personality and the personality of brand were computed. In addition, percentages of agreement to different statements were calculated and percentages of balance modes with perceived self-personality of the consumers similar to the perceived personality of the brand were computed. The Z-test of proportion was also employed.

4.10.6 Hypothesis 6

This hypothesis tested whether the adapted balance model performed similarly to the originally balanced model. Hypothesis 6a concerned the projected triangle with consumer's self-perceived personality, perceived personality of brand and perceived personality of the brand owner. Arbitrary and all conditions midpoints were used in determining the positive (+) or negative (-) sign of the relationships. Similar to Hypothesis 1, the number of triads in each mode and with each midpoint was counted, and frequency distribution and the proportion of balanced and imbalanced triads were computed. The Z-test of proportion was then used to find out if the resulting percentage had a statistically significant larger proportion than the null hypothesis, which is 50 percent in this research. When the computed Z score was larger than the Tabled Z score, the null hypothesis was rejected.

For Hypothesis 6b, the personality abstract structure was developed based on the work of Feather in 1971 with the assumptions that consumers' perceived brand personality is equals to consumers' self-perceived brand personality ($CB = SB$), consumers' perceived brand owner personality is equals to consumers' perceived brand owners' personality ($CO = SO$) and there are positive unit relation between brand owner and the brand.

As shown in Figure 4.4, there are different relationships in the personality abstract model, consumers' perceived self-personality (CS), consumers' perceived brand personality (CB), consumers' perceived brand owner personality (CO), consumers' self-perceived brand personality (SB), and consumers' perceived unit relation between brand owner and the brand (OB).

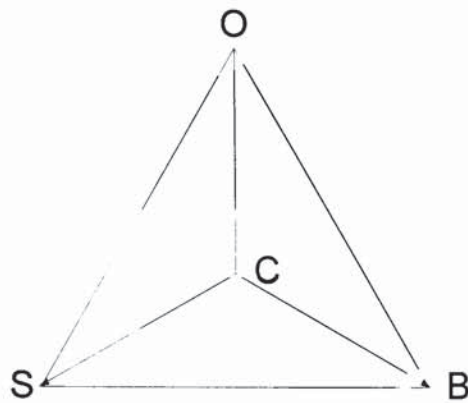


Figure 4.4 Personality abstract structure

This abstract structure is composed of four triangles, namely CBO triangle, CSO triangle, CSB triangle and SOB triangle. The total number of triads of this personality abstract structure is therefore the number of triads of these CBO, CSO, CSB, and SOB triangles. The number of triads in each balance mode and with 3.5 / 3.53 as midpoint was counted, and frequency distribution and the proportion of balanced and imbalanced triads were computed. The Z-test of proportion was then used to find out if the resulting percentage had a statistically significant larger proportion than the null hypothesis, which is 50 percent in this research. When the computed Z score is larger than the Tabled Z score, the null hypothesis is rejected.

4.10.7 Hypothesis 7

Scales validated and developed in Chapter 5 were used, and marks were calculated. Two methods were used to split the samples into groups. In Method 1, samples were split into three groups, these being high, medium and low level groups. Results of only the high and the low groups were used for comparison. In the second method, samples were separated into two groups using the mean as the dividing point. Comparisons of the high and low level group's results with consumers' sensitivity measures resulted in the dynamic part of the brand owner-consumer-brand relation being made for each of the scales. The sensitivity of the consumers to the brand owner was measured by three comparisons.

Comparison One compared the number of times consumers having perfect balance 1 (+ + +) in Condition One (that is with originally liked brand) changed to balance 2 (- - +) in Condition Three (that is with the introduction of negative news that the originally liked brand owner changed something).

Comparison Two compared the number of times consumers having perfect balance 1 (+ + +) in Condition One (that is with originally liked brand) changed to balance 2 (- - +) in Condition Four (that is with the introduction of negative non-ethical news committed by the originally liked brand owner).

Comparison Three compared the number of times consumers having balance 2 (- - +) in Condition Two (that is with originally disliked brand) changed to balance 1 (+ + +) in Condition Five (that is when the originally disliked brand owner now developed a very good collection).

4.11 Summary

In this chapter, methodologies used in this research have been discussed, such as the discovery-oriented approach which was adopted to experience the actual shopping situation and to find out experts' opinions on the topic and methods of data collection for this market segment.

Methods of measure development, pilot study, and split-half methods were also discussed. The detailed development of questionnaire design and experimental design were explained. Different data analysis techniques were discussed briefly and the applicability of data analyses technique to each hypothesis was explained. In particular, data analysis of different hypotheses using traditional methods of Balance Theory, and modified methods used by Feather and by Greenwald, Banaji, Rudman, Farnham, Nosek and Mellot were discussed in detail.

In Chapter 5, results and techniques used for the measure development will be discussed, and results of the study for these different hypotheses will be discussed in Chapter 6.

Table 4.3 Methods used in testing hypotheses

L = tested in responses to liked brand, and D = tested in responses to disliked brand

	Hypothesis	Methods
1 L/D	In the static brand owner-consumer-brand relation, there are more balanced triads than imbalanced triads	<ol style="list-style-type: none"> 1. Three different midpoints to determine the positive or negative perception, 2. frequency distribution and proportion of balanced and imbalanced triads, Z-test of proportion, 3. Multiple hierarchical regression with residual centering approach
2a L/D	The sentiment perception of the brand owner is positively associated with the sentiment perception of the brand	<ol style="list-style-type: none"> 1. Percentages of agreement to different statements, Z-test of proportion; 2. Percentages of consumers' extent of liked and disliked brand when they liked / disliked the brand owner, Z-test of proportion; 3. Percentages of consumers' extent of liked and disliked brand owner when they liked / disliked the brand, Z-test of proportion; 4. Percentages of different balanced and imbalanced triads
2b L/D	Consumers' attitude towards the brand is positively associated with consumers' perception of the values of and opinions associated with the brand	<ol style="list-style-type: none"> 1. Percentages of agreement to different statements, Z-test of proportion
2c L/D	Consumers' attitude towards the brand is associated with consumers' perception of the values and opinions held by the brand owner	<ol style="list-style-type: none"> 1. Percentages of agreement to different statements, Z-test of proportion
3a L/D	The perception of the brand owner is associated with unit relation towards the brand	Percentages of agreement to different statements, Z-test of proportion
3b	The perception of the brand is associated with unit relation towards the brand owner	<ol style="list-style-type: none"> 1. Percentages of agreement to different statements, Z-test of proportion

3c <i>L/D</i>	Unit relation with the brand is positively associated with unit relation towards the brand owner	1. Percentages of agreement to different statements, Z-test of proportion
4 <i>L/D</i>	If we destroy the balanced state of perception, consumers restructure new balanced triad. Out of the restructured triads, there are more balanced than imbalanced triads	1. Three different midpoints to determine the positive or negative perception, 2. Frequency distribution and proportion of balanced and imbalanced triads, Z-test of proportion, 3. Chi-square test of independence
5a <i>L</i>	Perceived personality of the brand owner is associated with the perceived personality of the brand	1. Correlation 2. Frequency distribution and proportion of balance results, Z-test of proportion
5b	When the perceived personality of the brand owner is similar to that of the brand, the brand owner reinforces the brand	1. Percentage of agreement to a statement, Z-test of proportion
5c	When the consumer likes the brand, the perceived self-personality of the consumer is associated with the perceived personality of the brand	1. Correlation 2. Frequency distribution and proportion of balance results, Z-test of proportion
5d	When the consumer likes the brand, the brand shows the consumers' own personality	1. Percentage of agreement to a statement, Z-test of proportion
6a	In the adapted perceived personality O-C-B relation, there are more balanced triads than imbalanced triads	1. Frequency distribution and proportion of balanced and imbalanced triads, Z-test of proportion
6b	In the consumer's personality abstract structure, there should be more balanced triads than imbalanced triads	1. Frequency distribution and proportion of balanced and imbalanced triads, Z-test of proportion
7a	High fashion proneness consumers are more sensitive to the brand owner than low fashion proneness consumers	1. Frequency distribution, chi-square tests

7b	High self-monitors are more sensitive to the brand owner than low self-monitors	1. Frequency distribution, chi-square tests
7c	High hedonic shoppers are more influenced by brand owner than low hedonic shoppers	1. Frequency distribution, chi-square tests

Chapter 5

Validating Scales and Factors for the Study

5.1 Overview

Personality plays an important role in influencing consumers' perceptions. Aaker (1997) found that brand also has personality and developed the brand personality scale for Americans. However, she also found that culture differences affect people's perception of brand personality and developed different personality scales for the Spanish and Japanese. Although both Chinese and Japanese are Asian, their cultures are different. As a result, it was found necessary to develop and validate a Chinese brand personality scale.

Fashion proneness is an important aspect in affecting consumers' perceptions. However, there are similar available scales (Tigert, Ring, and King 1976; Wells and Tigert 1971; as well as Darden and Perreault 1976) measuring parts and portions of this aspect. In addition, some words in the existing scales are found to have their meanings changed in today's language usage and understanding.

Therefore, it became necessary to develop and validate the fashion proneness scale.

The available hedonic utilitarian shopping scale (Babin, Darden, and Griffin 1994) was designed based on a particular shopping trip. However, a general hedonic utilitarian shopping scale was required for this study. So, it is also necessary to validate this scale.

In this chapter, emic and etic approaches in scale development will be discussed briefly. Detailed methods of developing and validating the Chinese Brand Personality Scale based on Aaker (1997) and Aaker, Martinez, and Garolera (2001) scales, the fashion proneness scale based on Tigert, Ring, and King (1976), Wells and Tigert (1971), as well as Darden and Perreault (1976); and the hedonic and utilitarian shopping scale based on Babin, Darden, and Griffin (1994) will be discussed. A separate study with 181 Chinese students was conducted for validating these scales. Questionnaire used see Appendix 3.

5.2 Emic-Etic Approach

Pike (1966) has stated two contrasting approaches or schools of thought in the study of cultural phenomena in social science cross-cultural research, 'emic' and the 'etic'. The 'emic' school thinks that attitudes, interests and behaviours are unique to a culture; therefore, attempts to describe items of behaviour occurring in a particular culture utilizing only concepts employed in that culture. Emphasis is on studying the specific context of each country and on identifying and understanding its unique characteristics (facets). Since these measures are 'cultural specific', inferences concerning cross-national differences are usually made qualitatively or judgementally (Craig and Douglas 2000).

On the other hand, the 'etic' school attempts to describe behaviour using external criteria imposed by the researcher. Emphasis is on identifying and

assessing universal attitudinal and behavioural concepts and developing pan-cultural or 'culture free' measures (Elder 1976). This measure can facilitate cross-country comparison; however, it can lead to methodological problems, particularly the 'pseudo-etic' approach in which the constructs and measures developed in one country are applied directly, without any minimal adaptation to specific context in other countries (Triandis 1972).

Berry (1969, 1989) proposed that there are three research orientations in cross-cultural psychology, namely imposed etic, emic and derived etic. In the imposed etic approach, theories and research instruments developed in culture A are imposed on culture B. It is assumed by the researcher to be a valid basis for studying phenomena in another culture. For the emic approach, indigenous instruments and methods of research are used with the expectation of developing substantial theories or models specific to that local culture. However, the measure developed is specific to that particular culture and if measures developed in different cultures are mutually exclusive, it is not possible for a comparison between cultures. The derived etic approach enables cultural comparisons of common aspects to be made. It starts with initial research in culture A (step 1 – emic A) and then applies the concepts or measures developed to study behaviour in another culture B (step 2 – imposed etic), discovers new cultural specific elements in that other culture (step 3 – emic B), and finally compares emic A & emic B. When there is no similarity, comparison is not possible. When there is some similarity (the derived etic), comparison between cultures is possible.

5.3 Developing and Validating Chinese Brand Personality Scale

Aaker (1997) developed the original brand personality scale based on American subjects. Later it was found that the meaning embedded in brands is culture specific. This led to the development of the Spanish brand personality scale and Japanese brand personality scale (details in Chapter 2). The ways of thinking, value systems, cultures, histories and living environments are very different even though we are living in the so-called 'global world' now. As a result, the original American brand personality scale, the later developed Japanese brand personality scale, and the Spanish brand personality scale were all unsuitable to be used directly in this research. Developing and validating a brand personality scale for Chinese consumers was found to be necessary.

The sample population for the scale development was drawn from Chinese university students in Hong Kong. The official language used in the universities is English and so all the questionnaires are in English. A modified imposed-etic approach was taken following established procedures from the measure development literature (Churchill 1979; DeVellis 1991; Spector 1992). This modified imposed-etic approach was adopted because, first, the scale is not the main focus of the study, it is a measure that needs to be culturally validated before use; second, globalization has already minimized cultural differences and the three cultures included (America, Spain and Japan) are key players in shaping today's economy; and last, the validated scale is used to evaluate international brands and their owners. However, the disadvantage of this approach is that cultural-specific aspects are not explored. Since finding out similarities between cultures is not the aim of this research, the derived etic approach was not taken.

5.3.1 Generation of brand personality traits

When developing their pool of items intended to capture brand personality traits, Aaker (1997) and Aaker, Martinez, and Garolera (2001) used the three theoretically-based item generation criteria set out by Osgood, Suci, and

Tannenbaum (1957). These criteria are: factorial composition of the items (to ensure the items are based on a theoretical framework), frequency of usage of the items (to ensure that the items are familiar and meaningful to individuals) and relevance of items to the construct of interest (to ensure external validity of the scale).

As a result, by grouping 42 American brand personality traits, 36 Japanese brand personality traits and 33 Spanish brand personality traits, a pool of 85 brand personality traits was generated after eliminating redundancy.

For the purpose of the current study, particular attention needed to be paid to the second and the third item generation criteria, namely frequency of usage of items and relevance of items, given the distinct national context in which the study was constructed. The following section explains how this was done.

5.3.2 Chinese brand personality scale refinement (face and content validity)

The same word may have different meanings in different cultures (Waldie 1981). An expert judgment panel was formed to assess the content and face validity of these traits (Lichtenstein, Netemeyer, and Burton 1990; Shimp and Sharma 1987; DeVellis 1991). This expert judgment panel consisted of one American who had lived in Hong Kong for over 10 years, two American Hong Kong Chinese, two Japanese who had lived in Hong Kong for over 10 years, one Hong Kong person who had lived in Japan for over 8 years, and two Hong Kong people who could speak Spanish and had lived in Spain.

Craig and Douglas (2000) pointed out the importance of conceptual equivalence in cross-cultural research. It is important to understand if the same concept is available and expressed the same way across different countries or cultures. As a result, these experts were selected as they were familiar with at least one of American, Japanese or Spanish cultures as well as the Hong Kong Chinese culture. They were shown the conceptual definitions and were asked to

comment on the applicability of these traits in the Hong Kong Chinese environment for conceptual equivalence.

The 'corporate' trait was suggested to be reworded as 'business-like' and it was pointed out that the 'western' trait can imply cowboy or a comparison between New Yorkers and Californians. Deletion of this term was recommended to avoid confusion. Traits that were described as being more appropriate to persons rather than brands by more than three experts, such as 'naïve', 'talkative' and 'shy', were also deleted. This exercise resulted in a total of 68 brand personality traits.

5.3.3 Stimuli selection for Chinese brand personality scale

Brands have to be well known to the targeted population, a university student population in the scale-development phase of this study, and should pertain to a variety of product categories, both symbolic and utilitarian (Aaker 1997). Given these criteria, the expert judgment panel plus a volunteer panel of 5 students were asked to suggest appropriate brands. A list of 20 brands was formed.

5.3.4 Data collection for Chinese brand personality scale

For the main data collection exercise, Hong Kong Chinese university students were selected as participants. English is the official language in their university so questionnaires were in English to avoid potential language inequivalence (Van de Vijver and Hambleton 1996). Chinese words were given to participants along with English attributes to minimize potential problems arising from cultural differences (as per Aaker, Martinez, and Garolera 2001).

Participants were asked to evaluate ten familiar brands from a list of twenty brands, rating the extent to which the 68 attributes describe a specific brand. A 6-point Likert scale (1 = not at all descriptive, to 6 = extremely descriptive) was used instead of five-point as per Aaker (1997) and Aaker, Martinez and

Garolera (2001) because of the Chinese cultural tendency to select the *Mean* “without inclination to either side” (Yau 1994). Respondents were asked to repeat the task for the ten brands they selected. Two hundred and fifty questionnaires were distributed and 181 returned. Thirty-six of these were unusable as patterns in the answers were spotted (i.e., 145 respondents). After deleting cases with lots of missing data, 1237 valid cases remained (note that cases represent respondents’ evaluation of each brand in turn. In other words, one respondent may have evaluated, say, eight brands, resulting in eight valid cases).

5.3.5 Split sample and cross-assessment of brand personality scale

DeVellis (1991) recommended the splitting of the sample into two sub-samples to reduce the likelihood of obtaining spurious or chance results: one sample for measure development and the other for cross-assessment. SPSS automatically selected a random sample of cases, 606 for development.

5.3.6 Identifying the brand personality dimensions

The objective of this study is to identify the brand personality dimensions as perceived by Chinese consumers’, rather than individual differences and to develop associated measure of these dimensions. Following the method of Aaker (1997), a correlation matrix for the personality traits (N=68) correlated across the brands (N=20) was analyzed, and the scores of each brand on each personality trait were averaged across subject (N=145). The 68 x 68 correlation matrix was factor-analyzed using principle component analysis and varimax rotation in accordance with Aaker (1997)’s original measure development procedures.

A four-factor solution was obtained. The adequacy of this solution is supported by the following criteria: (a) the shape of the scree plot, and (b) the amount of variance explained by the four components (37.7% before purification &

43.59% after purification) as compared to the fifth through ninth (around 2% each).

Nunnally (1978) indicated traits that load below 0.4 do not add to measure purification. Variables that did not load on any factor, or with several high loadings, (i.e., cross-loading) were deleted (Hair, Anderson, Tatham and Black 1998). More specifically, 'down-to-earth', 'intense', 'wholesome', 'contemporary', 'tough', 'dependent', 'masculine', 'rugged', 'optimistic' and 'persistent' traits were deleted one at a time. The four-factor solution obtained after deletion of low-loading and cross-loading traits is reported in Table 5.1. Labels for all the dimensions were selected based on the attributes emphasized within each of the personality attributes.

Table 5.1 Chinese Brand Personality Dimensions & Scales based on the first sub-sample

Chinese Brand Personality Dimension – 606 cases					
	Competence	Excitement	Sincerity	Fascination.	% of variance explained
intelligent	.684				15.60%
reliable	.681				
secure	.671				
successful	.653				
confident	.648				
leader	.623				
responsible	.613				
independent	.602				
hardworking	.597				
determined	.557				
business like	.539				
positive	.475				
well-mannered	.454				
consistent	.438				
original	.429				
real	.410				
outgoing		.697			10.91%
exciting		.651			
outdoorsy		.649			
energetic		.585			
youthful		.580			
daring		.556			
update		.544			
spirited		.508			
imaginative		.486			
trendy		.486			
free		.483			
sweet			.659		10.43%
warm			.657		
happy			.635		
peaceful			.632		
childlike			.613		
kind			.556		
cheerful			.536		
family-orient			.531		
passionate			.480		
sincere			.451		
romantic				.800	6.65%
elegant				.656	
extravagant				.583	
glamorous				.533	
feminine				.526	
Total variance explained					43.59%

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a Rotation converged in 7 iterations.

The four factor model developed by EFA is tested using confirmatory factor analysis (CFA) with AMOS version 5.0 (Arbuckle, 1999). The developed four-factor model (representing the four dimensions of the brand personality scale) is tested against a one-factor model (assuming respondents do not differentiate between sub-factors, but a brand personality factor does exist) and a null-factor model (the data does not yield a single factor). The four-factor model was tested with both uncorrelated factors (indicative that no super-ordinate dimension/factor exists) and correlated factors (indicative that a super-ordinate factor exists) (Richter, Scully, and West, 2005).

Table 5.2 illustrates fit indices for the model. Low χ^2 and RMSEA values as well as high GFI and TLI values are suggestive of good model fit. Different researchers have recommended using the ratio of χ^2 indices to degrees of freedom χ^2/df as low as 2 or as high as 5 to indicate a reasonable fit (Marsh and Hocevar 1985). The RMSEA is generally regarded as one of the most informative fit indices. Values less than 0.05 are indicative of good fit, between 0.05 and under 0.08 of reasonable fit, between 0.08 and 0.10 of mediocre fit and >0.10 of poor fit (Diamantopoulos and Siguaw 2000). For GFI, values range from 0 to 1 with 1 as perfect fit and above 0.9 as good fit.

Table 5.2 Fit indices of confirmatory factor analysis for the brand personality scale

	χ^2	<i>df</i>	GFI	RMSEA	χ^2/df	TLI
Null model	10083.32	861	.311	.132	11.71	
One-factor ^a	3456.69	769	.728	.075	4.496	.674
Four-factors (uncorrelated) ^b	2858.66	769	.819	.066	3.717	.746
Four-factors (correlated) ^c	2381.77	763	.841	.059	3.12	.802

N = 619; GFI = goodness-of-fit index; TLI = Tucker Lewis index; RMSEA = root mean square error of approximation

^a Difference one-factor and four-factor model (correlated): $\Delta\chi^2/df = 1077/6$ ***

^b Difference four-factor (uncorrelated) and four-factor (correlated) model: $\Delta\chi^2/df = 477/6$ ***

^c Difference null model and four-factor (correlated): $\Delta\chi^2/df = 7225/92$ ***

The correlated four-factor model is the best fitted model out of the four, with its lowest chi-square value, and both its χ^2/df , GFI and RMSEA are indicating reasonable fit. The improvement of model fit is also tested by calculating the differences of χ^2 values in relation to the differences in degrees of freedom

$(\Delta\chi^2/\Delta df)$ for each model. The test indicates a significant model improvement for the correlated four-factor model over the one-factor model, as well as correlated four-factor model over the four-factor uncorrelated model, suggesting that the correlated four-factor model fits the data best. These results supported the developed brand personality scale.

5.3.7 Dimensionality assessment of brand personality scale

The same procedures (as per section 5.3.6) were employed in the second sub-sample of 631 cases to evaluate the stability and reliability of the dimensions developed. The 68 x 68 correlation matrix was factor-analyzed using principle component analysis and varimax rotation in accordance with Aaker (1997)'s original measure development procedures. A four-factor solution was obtained. The adequacy of this solution is supported by the following criteria: (a) the shape of the scree plot, and (b) the amount of variance explained by the four components (43.94% after purifications). The four-factor solution obtained after deletion of low-loading and cross-loading traits of the second sub-sample is reported in Table 5.3.

Table 5.3 Chinese Brand Personality Dimensions & Scales (second sub-sample)

Chinese Brand Personality Dimensions - 631 cases					
	Competence	Excitement	Sincerity	Fascination	% of variance explained
confident	.700				15.29%
successful	.684				
reliable	.666				
secure	.652				
responsible	.651				
intelligent	.649				
determined	.638				
hardworking	.622				
leader	.597				
positive	.539				
business-like	.505				
consistent	.496				
independent	.448				
original	.442				
well-mannered	.441				
real	.431				
outgoing		.722			11.23%
outdoorsy		.677			
exciting		.634			
energetic		.611			
youthful		.593			
free		.564			
imaginative		.548			
trendy		.534			
spirited		.534			
up-to-date		.526			
daring		.510			
warm			.689		10.88%
happy			.669		
sweet			.642		
cheerful			.631		
childlike			.619		
peaceful			.603		
kind			.549		
family-orient			.548		
passionate			.537		
sincere			.426		
romantic				.790	6.55%
elegant				.695	
feminine				.574	
extravagant				.572	
glamorous				.479	
Total variance explained					43.94%

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a Rotation converged in 6 iterations.

Factors and traits comparison of the first and second sub-samples is reported in Table 5.4. Reliabilities and associated statistics for each of the dimension: the two sub-samples used are reported in Table 5.5. As can be seen, Cronbach's alphas for these two sub-samples in all the dimensions are similar in magnitude and exceed the minimum level of .70 recommended by Nunnally (1978), thus providing evidence of reliability and stability.

Table 5. 4 Comparison of the first & second sub-samples results

Chinese Brand Personality Dimension – 606/631 cases								
	Competence		Excitement		Sincerity		Fascination	
	606 cases	631 cases	606 cases	631 cases	606 cases	631 cases	606 cases	631 cases
intelligent	.684	.649						
reliable	.681	.666						
secure	.671	.652						
successful	.653	.684						
confident	.648	.700						
leader	.623	.597						
responsible	.613	.651						
independent	.602	.448						
hardworking	.597	.622						
determined	.557	.638						
business-like	.539	.505						
positive	.475	.539						
well-mannered	.454	.441						
consistent	.438	.496						
original	.429	.442						
real	.410	.431						
outgoing			.697	.722				
exciting			.651	.634				
outdoorsy			.649	.677				
energetic			.585	.611				
youthful			.580	.593				
daring			.556	.510				
up-to-date			.544	.562				
spirited			.508	.534				
imaginative			.486	.548				
trendy			.486	.534				
free			.483	.564				
sweet					.659	.642		
warm					.657	.689		
happy					.635	.669		
peaceful					.632	.603		
childlike					.613	.619		
kind					.556	.549		
cheerful					.536	.631		
family-orient					.531	.548		
passionate					.480	.537		
sincere					.451	.426		
romantic							.800	.790
elegant							.656	.695
extravagant							.583	.572
glamorous							.533	.479
feminine							.526	.574
% of variance explained	15.6%	15.29%	10.91%	11.23%	10.43%	10.88%	6.65%	6.55%

Table 5.5 Scale reliabilities

Dimension	No of items	Sub-sample	α	Mean
Competence	16	a	0.8790	4.2852
		b	0.8830	4.2511
Excitement	11	a	0.8386	4.2070
		b	0.8447	4.1778
Sincerity	10	a	0.8120	3.7434
		b	0.8269	3.7723
Fascination	5	a	0.6912	3.3564
		b	0.7032	3.3117

a. sub-sample of 606 cases

b. sub-sample of 631 cases

5.3.8 Facet Identification

Personality psychologists focus on “facets” subsumed by each factor to select representative traits that provide both breadth and depth and to serve as a framework for establishing the similarities and differences among alternative concepts (Aaker 1997). “Facets” are identified by having the set of items in each factor (resulting from the principal components analysis) to be factor-analyzed individually, a process that resulted in unconstrained set of facets (Aaker 1997). These ‘facets’ are not factors themselves.

However, for this study, the main aim of brand personality scale validation is for the study of perceptions of international fashion designers and their brand. To assess the content validity before the process of ‘facets’ identification could be conducted, another expert panel was formed consisting of fashion professionals, such as a professor teaching fashion design and as fashion press members. Each member of this panel was asked to use the developed 42 traits scales to evaluate self personality, perceived personality of one of the fashion designers they like and the perceived personality of a brand of that designer.

Originally, each member was asked to name one designer that he/she likes and one that he/she dislikes. However, they all mentioned that there is no designer they dislike, and for those brands that they are not interested in, they mentioned

that they cannot tell the perceived personality in detail. As a result, each person only evaluated one designer that he / she likes.

When I asked the expert panel to evaluate designer and designer labels (brands) using the 42 personality traits items, for some of the items / attributes over 20% cases said that they could not tell if it is descriptive or not as they haven't personally met the designer. It is only through magazines or TV or newspapers that they get to know these designers. For traits like secure (7), reliable (6), and responsible (7), there were over 24% missing data. The digit inside the bracket (x) indicates the number of experts mentioned cannot evaluate these traits with the brand owner. This showed these traits to be not content valid for this study and they had to be excluded.

Facets identification was then conducted with items within each factor re-factorized, first without specifying the number of factors. Comparison was made of the results generated by the two sub-samples with the consideration of the missing cases revealed by the expert panel.

For example, when factorized items in the first dimension with 'reliable', 'secure' and 'responsible' traits excluded to identify the 'facets' for this dimension are shown in Tables 5.6 and 5.7. These traits were excluded due to the content validity of the scale for this study.

Table 5.6 Factorized dimension One (606 cases) without 'reliable, secure, responsible' traits for 'facets' identification

606 cases	27expert	Component	
		1	2
successful	2	.732	
business-like	3	.682	
confident	0	.673	
intelligent	2	.640	
leader	0	.635	
hardworking	5	.578	
independent	0	.495	.481
real	3		.738
original	0		.668
well-mannered	3		.598
consistent	1		.582
determined	2		.547
positive	2		.469

Note: The column "expert" indicates the number of experts that mentioned that these traits are not appropriate and difficult for consumers to evaluate the creative director of international designer labels in a distance since consumers seldom have the opportunity to meet the creative director in person.

Table 5.7 Factorized dimension One (631 cases) without 'reliable, secure, responsible' traits for 'facets' identification

631 cases	27expert	Factor	
		1	2
well-mannered	3	.699	
real	3	.676	
determined	2	.631	
independent	0	.557	
positive	2	.548	
original	0	.544	
consistent	1	.469	
successful	2		.712
intelligent	2		.703
confident	0		.657
business-like	3		.614
hardworking	5		.590
leader	0		.577

Note: The column "expert" indicates the number of experts that mentioned that these traits are not appropriate and difficult for consumers to evaluate the creative director of international designer labels in a distance since consumers seldom have the opportunity to meet the creative director in person.

Based on all these methods, 2 facets for the first dimension with success facet having ‘confident’ (0), ‘successful’ (2), ‘leader’ (0) and determination facet having ‘determined’ (2), ‘original’ (1), & ‘positive’ (3) were identified. Please note that the number inside the bracket, for example x for (x), is the missing cases in the expert data set.

The same method was employed in identifying facets and traits for the remaining dimensions, resulting in a 6-facets 18-traits Chinese Brand Personality Framework (Figure 5.1). The Chinese Brand Personality Scale used in the main study is shown in Appendix 2, Table A2-1.

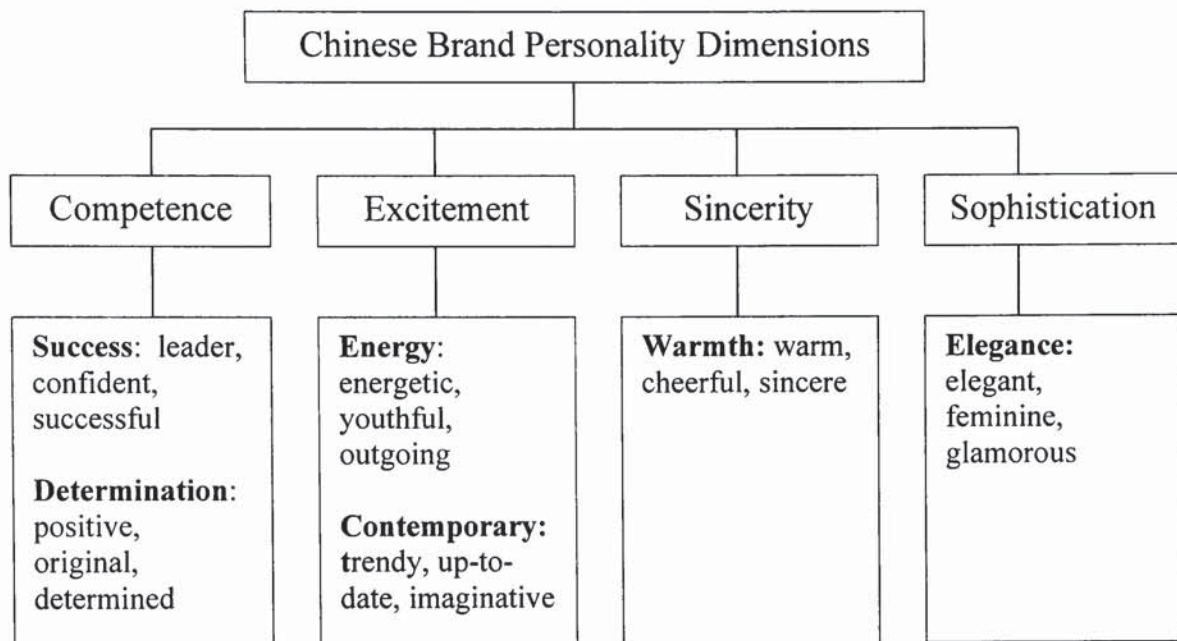


Figure 5.1 Chinese Brand Personality Framework

5.3.9 Validity of brand personality scale

In this section, details concerning face validity, convergent and discriminant validity are discussed.

5.3.9.1 Face validity of brand personality scale

Face validity of the items was first assessed with the expert panel that consisted of members familiar with either American, Japanese or Spanish and Hong Kong Chinese languages and culture. This resulted in 68 traits for initial investigation.

Face validity of the items for the final scale evaluating international fashion designers and their brands was assessed with another expert panel (fashion experts consisted of fashion press and professors teaching fashion design and fashion retailing) with the 42 traits developed based on the surveyed results of young Hong Kong Chinese consumers. Concept definitions were given to them and they were asked to indicate their perceptions of themselves, the international designer and brands. Traits that are not appropriate were not chosen for the final facets and traits scales.

5.3.9.2 Convergent and discriminant validity of brand personality scale

Convergent validity is based on the correlation between responses obtained by maximally different methods of measuring the same construct. Since only one method (paper and pencil self-rating scales) was employed, convergent validity cannot be estimated. However, the same construct was measured twice by two different sample groups, so it has high internal consistency.

Discriminant validity is determined by demonstrating that a measure does not correlate very highly with another measure from which it should differ (Campbell 1960). In this study, fashion involvement scales are included to assess discriminant validity of brand personality scale. Correlations of traits in brand personality scale and those in fashion proneness scale were conducted. Results show that items on the brand personality scale are highly correlated with items in the brand personality scale. However, over 75% of items in fashion proneness scales are not correlated with traits in the brand personality scale, and the rest have low correlation (with correlation coefficients ranged between 0.08 to 0.15). This shows clearly that these two are separate measures, and so supports the discriminant validity.

5.4 Validating and Developing Fashion Proneness Scale

Marketing scale handbooks were explored to find an appropriate scale for assessing respondents' fashion proneness levels. Similar fashion involvement scales and fashion conscious scales developed by Tigert, Ring, and King (1976), Wells and Tigert (1971), Darden and Perreault (1976) were found. In these scales, each evaluates similar parts of the construct and some are with words that have different meanings in today's language. These scales were thus outdated and could not be used. As a result, a modified imposed-etic approach has been taken following established procedures from the measure development and validation literature (such as Churchill 1979; DeVellis 1991; Chwalow 1995) to validate and develop the fashion proneness scale.

5.4.1 Generation of statements for the fashion proneness scale

Tigert, Ring, and King (1976) derived the six fashion involvement factors (FIF) from an original pool of 24 AIO/lifestyle statements pertaining to various aspects of fashion through principal component analysis. Some of these items statements were similar to those used by Wells and Tigert (1971), and there are other statements used by Darden and Perreault (1976) and Wilkes (1992) to study fashion consciousness. All these statements were pooled together.

5.4.2 Fashion proneness scale refinement (face and content validity)

As mentioned before, language or words change in meaning as times go by. It was found that some of the statements are not appropriate now with the change in meaning of the same word, such as swinger, which in the 'sixties' meant something in fashion, but now actually means changing sex partners or exchanging wives.

An expert judgment panel was formed to assess the content and face validity of these statements (Shimp and Sharma 1987; Lichtenstein, Netemeyer, and Burton 1990; DeVellis 1991). Five fashion educators in the university were asked to view these statements and to give comments in appropriate words so as to measure what these statements intended to measure. For example, the statement that 'I like to think I'm a bit of a swinger' was changed to 'I like to think I'm trendy'. As a result, eight revised statements remain. A statement 'I am a fashion conscious person' was added to evaluate if the scale is actually measuring what it is intended to measure.

5.4.3 Data Collection for fashion proneness scale

Hong Kong Chinese university students were selected as participants because English is the official language in university. Therefore questionnaires were in English to avoid potential language inequivalence (Vab de Vijver and Hambketon 1996). Participants were asked to evaluate their personal views towards these seven statements. A 6-point Likert scale (1 = Strongly disagree to 6 = Strongly agree) was used to avoid the previously-mentioned Chinese cultural characteristics of opting for the mean response. Two hundred and fifty questionnaires were distributed and 181 returned. Ten questionnaires were to be unusable because they had standardized patterns, resulting in 171 valid cases.

5.4.4 Construct validity and reliability of fashion proneness scale

Principal Component Factor Analysis was conducted to analyse if all the items measure the same factor, that is fashion proneness. Results shown in Table 5.8 indicate that all eight items were measuring the same factor component.

Reliability or internal consistency was assessed by Cronbach's alpha and the result was 0.8497 as shown in Table 5.9. Nunnally (1978) suggested a value of 0.70 as a lower acceptable bound for alpha. As a result, this fashion proneness scale (see Appendix 2 Table A2-2) can be considered to be valid and reliable for use in this study.

Table 5.8 Factor Loading for Fashion Proneness Scale Items

Scale Item	Component
It is important to me that my clothes be of the latest trend.	.817
I like to shop for fashion.	.769
An important part of my life and activities is dressing smartly.	.749
I like to think I'm trendy.	.733
I usually have one or more outfits of the very latest trends.	.720
For my fashion needs, I am increasingly shopping at boutiques or fashion specialty stores rather than department stores.	.654
A person should try to dress in style.	.584
When I must choose between the two, I usually dress for fashion, not comfort.	.582

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Table 5.9 Fashion Proneness Scale Reliability

Dimension	No of Items	α	Mean
Fashion Proneness	8	0.8497	3.75

5.5 Validating Hedonic and Utilitarian Shopping Scale

The hedonic and utilitarian shopping scale (Babin, Darden, and Griffin 1994), having drawn on previous studies that examined hedonic and utilitarian attitudes or motives for shopping (e.g., Batra and Ahtola 1990; Holbrook and Hirschman 1982), was found to be more appropriate in evaluating respondents' characteristics in this research. However, as was mentioned earlier in this chapter, the scale was constructed based on a particular shopping trip, so it had to be modified and validated for the present research.

A modified imposed-etic approach was adopted, following established procedures from the measure development and validation literature (Churchill 1979; DeVilles 1991; Chwalow 1995) to validate and develop the general hedonic and utilitarian shopping scales.

5.5.1 Generation of items and Instrument refinement of hedonic and utilitarian shopping scale (face and content validity)

Original items in the hedonic and utilitarian shopping scale were taken. An expert judgment panel was formed to assess the content and face validity of these statements to general fashion shopping instead of for a particular shopping trip. Five fashion educators in the university were asked to view these statements and to give comments in appropriate words so as to measure what these statements intended to measure. Several statements that were found to be not appropriate, such as 'this shopping trip was truly a joy', were deleted; others were modified, such as 'I enjoyed being immersed in exciting new products' was modified to 'I enjoy seeing exciting new products'. As a result, seven revised hedonic items and three utilitarian items remained.

5.5.2 Data Collection for Hedonic and Utilitarian shopping scale

Chinese university students in Hong Kong were selected as participants. English is the official language in university so questionnaires were in English to avoid potential language inequivalence (Van de Vijver and Hambleton 1996). Participants were asked to evaluate their personal views of these ten statements. A 6-point Likert scale (1 = Strongly disagree to 6 = Strongly agree) was used. Two hundred and fifty questionnaires were distributed and 181 returned. Ten questionnaires were found not usable as with standardized patterns, resulting in 171 valid cases.

5.5.3 Construct Validity and reliability of Hedonic-Utilitarian shopping scale

Principal Component Factor Analysis was conducted to analyse if the items were measuring what was intended. Results shown in Table 5.10 showed that there were two factors with high factor loading, one measuring hedonic items (0.638 to 0.815) and another measuring the utilitarian items (0.521 to 0.844). Cronbach's alphas were used to assess the internal consistency or reliability. Sekaran (1994) considers a reliability of less than 0.6 as poor, in the range of 0.6-0.7 as acceptable and over 0.8 to be good. Moss et al (1998) suggest that an alpha score of 0.6 is generally acceptable, though this criterion is not as stringent as the more widely recognized 0.7 threshold (Nunnally 1978). However, one interesting point is that the minimally acceptable reliability level recommended by Nunnally (1967) was in the range of 0.5 to 0.6 and he had not explained the reason for increasing the level to 0.7 in the second edition (1978). Moss et al (1998) suggested one of the possible explanations for a lower alpha value of these scales and scores is because of smaller number of items (Moss et al 1998).

One of the important properties of Cronbach's alpha is that its value tends to increase with an increase in the number of scale items (Malhotra and Birks 2003). Therefore, it may be artificially and inappropriately inflated by including several redundant scale items (Peterson 1994). Moss et al (1998)

suggest that a low alpha value does not necessary mean that the scale will not work well as a screening tool (Sturmey, Newton, Cowley, Bouras and Holt 2005), the scale can still be used to reflect the situation (Sturmey et al 2005). As shown in Table 5.11, the alpha result for hedonic items was 0.87 and that for utilitarian items was 0.59. As a result, the hedonic items of this scale can be considered to be valid and reliable for use in the study. Although the reliability of the utilitarian items is lower than 0.6, it can be employed as a screening measure in this study, with slight reservations. The slightly lower than norm utilitarian scale has only three items, this may explain the reason why it is difficult to achieve the required internal consistency (Morgan, Cleav-Hogg, DeSousa and Tarshis 2004, Streiner and Norman 1995). Collier and Meyer (2000) still used SEAS scale though the Cronbach's alpha is only 0.46 because the principal component analysis showed clearly two factors with high factor loading (0.685 to 0.853). Moss et al (1998) still employed Psychotic and Autism scales, though the Cronbach's alpha values were 0.51 and 0.57 respectively, as screening tools. As a result, utilitarian scale is also used in this study with slight reservations. The Hedonic and Utilitarian Shopping Scale used in this main study is shown in Table A2-3 in Appendix 2.

Table 5.10 Factor Loading for Hedonic and Utilitarian Scale Items

	Component	
	Hedonic	Utilitarian
While shopping, I feel a sense of excitement.	.815	
I continue to shop, not because I have to but because I love to.	.811	
During shopping trips, I feel the excitement of 'the hunt'.	.802	
Compared to other things I could have done, the time spent shopping is truly enjoyable.	.772	
While shopping, I am able to forget my problems.	.712	
I enjoy shopping for its own sake, not just for the items I may have bought.	.694	
I enjoy seeing exciting new products.	.638	
While shopping, I find just the item(s) I am looking for.		.844
I usually find just what I want to buy on a shopping trip.		.816
I will be disappointed if I have to go to another store(s) to complete my shopping trip.		.521

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 3 iterations.

Table 5.11 Hedonic and Utilitarian Shopping Scale Reliability

Dimension	No of Items	α	Mean	Valid cases
Hedonic	7	0.8732	3.969	167
Utilitarian	3	0.5877	3.39	170

5.6 Summary

In this chapter, the emic and etic approaches of scale development were introduced. The traditional method of scale development was explained in detail. Methods employed in generating items for the scale were explained. Expert panels were formed to refine the instruments and select stimuli for the studies. Results, developments and validation of the Chinese brand personality scale, fashion proneness scale and hedonic and utilitarian scale were discussed.

In this chapter there is a description of the process of developing the Chinese brand personality scale that takes into consideration the cultural influences in brand perception of the Chinese people. Different fashion conscious and involvement scales were combined and evaluated with the outdated statements modified by the expert panel. A fashion proneness scale was developed and validated for use in the main study of this research. The general hedonic and utilitarian shopping scale was also developed and evaluated for use. These developed measures were applied into the main study, the results of which are going to be discussed in the next chapter.

In the next chapter, results of the hypotheses testing about consumers' perceptions of their original liked brands are discussed. These results are used to develop the brand owner-consumer-brand relation model. Afterwards, responses of consumers' perception of their disliked brand are used to test if the developed model can be applied in the disliked brand situation. Results of the influence of personality on the brand owner-consumer-brand relation are also discussed. The impact of brand owner on consumers' perception is discussed. So are the characteristics of the respondents, their fashion proneness, hedonic-utilitarian and self-monitoring levels as well their impact on brand owner perception.

Chapter 6

Results

6.1 Overview

This chapter discusses the results of the main study which was conducted with 51 customers of international designer labels. The hypotheses developed in Chapter 3 were tested using the data set of the consumers' responses in five different situations. The first situation is with respondents' originally liked brand. The second situation is with respondents' responses to their originally liked brand after the introduction of opposing news about the brand owner, such as that the brand owner had expanded the business too loosely, could not maintain the previous level of standards, or did something against his / her character. The third situation is with respondents' responses to their originally liked brand after receipt of news that the brand owner did something unethical. The fourth situation is with respondents' responses to their original disliked brand. The fifth situation is with respondents' responses to their originally disliked brand after good news about the brand owner was received. This chapter discusses the findings and implications of the theory in real-life situations.

The applicability of Heider's Balance Theory (Chapter 2) has been tested with the consumers' liked brand to develop the brand owner-consumer-brand relation model. Both the static and dynamic parts of the theory have been tested in the brand owner-consumer-brand triads using the survey results of consumers' liked brand. In addition to testing if there are more balanced triads in the relationship as per the theory, in the static part, attitude and unit relation aspects of the brand owner-consumer-brand relationship have also been tested. In the dynamic part, opposite experimental stimuli were introduced to disturb the balanced cognitive states of the respondents and test if respondents re-balanced their perception afterwards as predicted by the theory.

In order to see if the developed brand owner-consumer-brand relation model can also be applied in the case of the consumers' disliked brand, both the static and dynamic parts were tested with consumers' disliked brand to confirm or validate the model.

The influence of personality on brand owner-consumer-brand relationship, impact of brand owner on consumers' perception of original liked and disliked brand, as well as the impact of consumers' fashion proneness, self-monitoring and hedonic shopping levels have also been investigated.

This chapter has thirteen parts: Part One, introducing the overall aim and skeleton of this chapter; Part Two, which describes the sample; Part Three, describing the development of the static brand owner-consumer-brand relation model; Part Four, describing details in the static brand owner-consumer-brand relation model; Part Five, describing the development of the dynamic brand owner-consumer-brand relation model; Part Six, describing the applicability of the static brand owner-consumer-brand relation model to the consumers' originally disliked brand; Part Seven, which explains the consumers' originally disliked brand dynamic model; Part Eight, describing the effects of personality on brand owner-consumer-brand relationship; Part Nine, describing the influence of the effects of the brand owner's action on the consumers' perception of the originally liked brand; Part Ten, describing the effects of the brand owners' action on the originally disliked brand; Part Eleven, describing

the consumers' characteristics; Part Twelve, describing the impact of the consumers' characteristics on the consumers' perception of the brand owner; and Part Thirteen, which is the conclusion of this chapter.

6.2 The Sample

In this main study, 51 consumers of international designer labels were surveyed¹ on their perceptions of brand owner and the brand and their relationships. The respondents were customers of international designer labels, who were able to name the brand owner. They are mainly employees of large corporations, housewives, and entrepreneurs. The duration of time to finish one questionnaire was approximately 1 to 2½ hours including the experimental part. Some respondents indicated that they needed to think very deeply as the questions were quite complex, "squeezing their brains".

This section describes the sample populations and the methods of calculating the required sample size for both comparison of proportion and multiple regressions. The pilot test data was subsequently used to calculate the required sample size.

The sample size for comparing proportions (Norman and Streiner 2000), where the null hypothesis is that the proportion of pairs is the same (0.5) and for alternative hypothesis the proportions are different, was calculated by means of the following formula:

$$n = \left[\frac{Z_{\alpha} \sqrt{\pi_1(1 - \pi_1)} + Z_{\beta} \sqrt{\pi_0(1 - \pi_0)}}{(\pi_1 - \pi_0)} \right]^2$$

where π_1 is the proportion under the alternative hypothesis, and π_0 is the proportion under the null hypothesis.

¹ The majority of the questionnaires were administered using a face-to-face interview technique, although a few were sent via e-mail as requested by the respondents due to the epidemic of SARS during the data collection period.

Results from pilot study on consumers' brand owner-consumer-brand relation shown that 90% of the triads are balanced, so looking at the formula above, π_1 is 0.9, and π_0 is 0.5, so the equation looks like (assuming $\alpha = 0.05$ and $\beta = 0.05$):

$$n = \left[\frac{1.96\sqrt{0.9(1-0.9)} + 1.96\sqrt{0.5(1-0.5)}}{(0.9-0.5)} \right]^2$$

$$= 14.97.$$

Results from the pilot study concerning consumers' perceived personality of the O-C-B relation show that, in 80% of the cases, the perceived personality of the brand owner achieved a positive Pearson correlation with that of the brand, so looking at the formula above, π_1 is 0.8, and π_0 is 0.5, so the equation looks like (assuming $\alpha = 0.05$ and $\beta = 0.10$):

$$n = \left[\frac{1.96\sqrt{0.8(1-0.8)} + 1.96\sqrt{0.5(1-0.5)}}{(0.8-0.5)} \right]^2$$

$$= 34.57.$$

When selecting the sample size for multiple regression, Hair, Anderson, Tatham, and Black (1998) advised that the ratio of observations to independent variables should never fall below 5 to 1, and the desired level is 15 to 20 observations for each independent variable. Since in this study there are only two independent variables, the desired sample size is 30.

The results show that the sample acquired in the construct is sufficient to test the Balance Theory.

6.3 Development of Static Brand Owner-Consumer-Brand Relation Model

In this study, the applicability of Heider's Balance Theory to brand owner-consumer-brand relation triads has been tested using the methods used by previous researchers, like frequency distribution (Carroll 1977, Peterson and Gross 1979), chi-square analysis (Rosenberg and Wolfsfeld 1977, Peterson and Gross 1979), graph theory (Feather 1971), and advanced multiple regression (Greenwald, Banaji, Rudman, Farnham, Nosek and Mellott 2002).. One important aspect of the theory is that the relationships balanced, meaning that there are more balanced triads than imbalanced triads. Survey results for the consumers' originally liked brand were used to test the applicability, while responses to the originally disliked brand were used to validate the results. Heider's Balance Theory predicts that there should be more balanced than imbalanced triads. Imbalanced triads will generate tension that leads to changes in perception so as to form balanced triads.

Hypothesis One

H1a₁: In the brand owner-consumer-brand relationship, there are more balanced triads than imbalanced triads.

6.3.1 Calculation of balanced triads

In this brand owner-consumer-brand relation model, we hypothesized that consumers would perceive having more balanced relationships between brand owner, consumer and brand. It may be that the consumer's positive attitude towards the brand owner (+), positive attitude towards the brand (+) and perception of the brand owner and the brand are linked together (+). Alternatively it may be that the consumer's negative relation with the brand owner (-), negative relation with the brand (-) and perception of the brand owner and the brand are linked together (+). Or the consumer's positive attitude towards the brand owner (+), negative attitude towards the brand (-) and perception that the brand owner has nothing to do with the brand (-) may lead to a situation where having two positive and one negative relation is balanced.

Different methods were applied to test if there are more balanced triads than imbalanced triads. The first method used to test this hypothesis was by calculating the number of balanced and imbalanced triads. As discussed in Chapter 4, previous methods (such as those used by Peterson and Gross 1979) used dichotomous data. Mahazab and Feger (1985) extended the theory to quantified data and a method to assign + or – signs to different data. Since ‘zero’ point is not the optimal cognitive balance tension point (Faison 1977) and in this study a Likert scale was used instead of dichotomous variables in the data collection process, it was a necessary to determine the midpoint so as to calculate the plus (+) or minus (-) signs of the results.

As explained in Chapter 4, three methods were used in determining the midpoint to calculate the plus (+) or minus (-) signs of the results. The first method ‘arbitrary midpoint’ used the arbitrary midpoint 3.5 in the six-point scale as the midpoint. The second method ‘all conditions mean midpoint’ used the calculated averaged means of brand, owner and owner-brand relationships of all conditions (original liked brand, original disliked brand, original liked brand but with negative news concerning the brand owner, original liked brand but with brand owner having committed something not ethical, original disliked brand owner but the brand owner has changed and become better) to get the ‘all conditions mean midpoint’, which equals to 3.53 as shown in Table 6.1

Table 6.1 Averaged means of all conditions

Conditions	Brand (B)	Owner (O)	Owner-brand Relationship (OBR)	No of cases	Averaged
1. Original liked brand	4.90	4.67	4.86	51	4.81
2. Original disliked brand	2.27	2.20	4.47	50	2.98
3. Original liked brand with negative non-ethical news of brand owner	2.18	2.3	4.57	51	3.01
4. Original liked brand with negative ethical news of brand owner	3.37	3.01	4.13	51	3.50
5. Original disliked brand with positive non-ethical news of brand owner	2.93	2.92	4.18	50	3.34
Averaged	3.13	3.02	4.44		3.53

The third method 'liked-disliked static means midpoint' is the calculated averaged means of the perception of brand, brand owner and owner-brand relationships of the originally liked brand and originally disliked brands, which in this case equals to 3.90, as shown in Table 6.2.

Table 6.2 Liked-disliked static means midpoint

Conditions	Brand (B)	Owner (O)	Owner-brand Relationship (OBR)	No of cases	Averaged
1. Original liked brand	4.90	4.67	4.86	51	4.81
2. Original disliked brand	2.27	2.20	4.47	50	2.98
Averaged	3.60	3.44	4.67		3.90

The calculated three midpoints are 3.5, 3.53 and 3.90 respectively. Using these results, the positive or negative perception of consumers towards the brand owner, the brand and owner-brand relations can be determined. The number of triads in each balance mode can be computed and the number of balanced triads in consumers' perceptions of the brand that they originally liked was calculated.

Table 6.3 Balance result of liked brand (cumulative percent) using the arbitrary 3.5 as midpoint

Balance Modes			Perception of original like brand	
			F	%
Balanced	+ + +	1.00	51	100 %
	- - +	2.00		
	- + -	3.00		
	+ - -	4.00		
Imbalanced	+ + -	5.00		0 %
	+ - +	6.00		
	- + +	7.00		
	- - -	8.00		
Z score			7.14	

Note: $Z_{0.05}^* = 1.64$

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship

Table 6.4 Balance result of liked brand (cumulative percent) using the calculated means of all conditions 3.53 as midpoint

Balance Modes			Perception of original like brand	
			F	%
Balanced	+ + +	1.00	51	100 %
	- - +	2.00		
	- + -	3.00		
	+ - -	4.00		
Imbalanced	+ + -	5.00		0 %
	+ - +	6.00		
	- + +	7.00		
	- - -	8.00		
Z score			7.14	

Note: $Z^*_{0.05}, Z = 1.64$

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship

As shown in Table 6.3, all consumers' perceptions of originally liked brand led to perfectly balanced triads (+ + +) when using the arbitrary 3.5 midpoint. The results of the liked brand, using the calculated means of all conditions as midpoint, are shown in Table 6.4. Since the calculated all conditions mean midpoint is 3.53, which is very close to the arbitrary midpoint 3.5, the results are the same. Z scores were computed to test the statistical significance of comparing two sample percentages, that is, if the comparison of balanced and imbalanced percentages is statistically significant. The Z score is 7.14, and $Z^*_{0.05}$ is 1.645. As the Z score is above 1.645, we are therefore able to reject the null hypothesis and claim that there are significantly more balanced triads than imbalanced triads in the brand owner-consumer-brand relation model.

Table 6.5 Balance result of liked brand (cumulative percent) using the overall means 3.90 when consumers liked the brand, disliked the brand and all conditions together as midpoint

Balance Modes				Perception of original like brand			
				F	Valid %	Overall %	
Balanced	+	+	+	1.00	44	86.3	88.3%
	-	-	+	2.00	0	0	
	-	+	-	3.00	0	0	
	+	-	-	4.00	1	2.0	
Imbalanced	+	+	-	5.00	3	5.9	11.7 %
	+	-	+	6.00	2	3.9	
	-	+	+	7.00	1	2.0	
	-	-	-	8.00	0	0	
Z score				5.47			

Note: $Z^*_{0.05}, Z = 1.64$

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship

As shown in Table 6.5, when using the overall means of 3.90 as midpoint, 86.3 percent of consumers' perceptions of the originally liked brand have perfect balanced (+ + +) mode and 2% have another balanced mode (+ - -). As a result, totally 88.3 percent have balanced triads. Z scores were computed to test the statistical significance of comparing two sample percentages, that is, if the comparison of balanced and imbalanced percentages is statistically significant. Z score is 5.47, and $Z^*_{0.05}$ is 1.645. As the Z score is above 1.645, we are therefore able to reject the null hypothesis and claim that there are significantly more balanced triads than imbalanced triads in the brand owner-consumer-brand relation model.

6.3.2 Hierarchical multiple regression with interaction terms

The second method used to test this hypothesis is with the modified Greenwald, Banji, Rudman, Farnham, Nosek, and Mellott (2002) model using residual centering approach (details in Chapter 4). In order to prepare the data for analysis, the consumers' perception of brand affecting their perception of brand owner, consumers' perception of brand and brand owner affecting their perception of brand owner-brand relationships were computed. As a result, the residual equations for overall interactions O x Obr; B x Obr; as well as B x O were found, and they are shown in Table 6.6.

Table 6.6 The residual equations for interactions in the overall model

Interaction Variable	Corresponding Residual Equations
O x Obr	$-13.99 + 4.813 O + 2.932 Obr$
B x Obr	$-14.69 + 4.806 B + 3.078 Obr$
B x O	$-8.754 + 3.034 B + 3.412 O$

O = consumers' perception of brand owner; B = consumers' perception of brand; Obr = consumers' perception of brand owner and brand relationship

The consumers' perception of the brand is tested as the interaction of consumers' perception of the brand owner and that of the brand owner-brand relationship. This is a 2-step hierarchical analysis that (a) includes only the interaction effect term in the first step and (b) uses the residual of the interaction effect term and the interaction's two component variables as separate predictors in the full effect model Step 2. The reason for having the interaction term O x Obr in the first step is to determine whether the data of the brand owner-consumer-brand triad can be fit entirely by the interaction term (an interaction of consumers' perception of the brand owner and that of the brand owner-brand relationship). If it can, then it shows the model is having all balanced triads.

As stated in Section 2.5.2, balanced conditions have either three positives or two negatives and one positive. In interaction, $+ * + = +$ ('plus' times 'plus' equals 'plus'), $+ * - = -$ ('plus' times 'minus' equals 'minus'), $- * + = -$ ('minus' times 'plus' equals 'minus'), and $- * - = +$ ('minus' times 'minus' equals 'plus'), all are balanced conditions. As a result, if the consumers' perception can be proved to be a function of the interaction term (explained entirely by the interaction term) it means all the triads are balanced.

The results for the models of the consumers' perception of the originally liked brand are as follows:

$$B = 3.555 + 0.059(O \times Obr) + e... (1)$$

(11.121)*** (4.326)***

$$B = 5.296 + 0.351(O \times Obr)_{resid} + 0.376(O) - 0.454(Obr) + e.... (2)$$

(2.669)* (1.639) (2.411)* (-1.163)

***significant level 0.00; *significance level 0.05

O = consumers' perception of brand owner; B = consumers' perception of brand; Obr = consumers' perception of brand owner and brand relationship

The adjusted R square of the interaction effect model R^2_1 is equal to 0.262, and adjusted R square of the full effect model R^2_2 is equal to 0.274. This illustrates that Equation 1 explains 26% of the criterion variance, with 1% additional variance explained by Equation 2. In order to test if the increment in the adjusted R square is significant, the F ratio of the variance estimate of the regression of interaction effect model and that of the variance estimate of the full effect model was computed based on the results provided in Table 6.7.

Table 6.7 Anova results of the interaction effect and full effect models

	Sum of square	df	Variance estimate	F	Sig.
Regression 1	3.956	1	3.956	18.715	.000
Regression 2	4.543	3	1.514	7.284	.000
Residual 1	10.359	49	.211		
Total	14.315	50			
F ratio	3.956/1.514			2.615	

$F_{0.05} = 10.13$

The critical value of $F_{0.05}$ with 1 degree of freedom for the numerator and 3 degree of freedom for the denominator is $F_{0.05} = 10.13$. The F ratio calculated was 3.956/1.514, equal to 2.615, which is smaller than the critical F value. We therefore cannot reject the null hypothesis that there is no difference in the variances of the two models. As a result, the notion that there is no significant incremental variance explained by the full effect model is supported.

The result shows that consumers' perception of brand is a function of the interaction term, meaning that it can be explained entirely by the interaction of consumers' perception of the brand owner and that of the brand owner-brand relationship. This is because the adjusted R square R^2_1 in the interaction effect model Step 1 accounts for substantial variance in the criterion and in Step 1 the coefficient for the interactive term is positive as is the coefficient of its residual in Step 2 (as per Greenwald's requirements).

Since the interaction term explains that all the triads are balanced, research Hypothesis 1, that there are more balanced triads in the brand owner-consumer-brand relationship, is supported.

The same can be tested on the consumers' perception of the brand owner and the brand owner-brand relationship as the interactive term of the other two. This means that the consumers' perception of the brand owner can be tested as the interaction of consumers' perception of the brand and that of the brand owner-brand relationship, as well as consumers' perception of the brand owner-brand relationship can be tested as the interaction of consumers' perception of the brand and that of the brand owner. Results are shown in Figure 6.1.

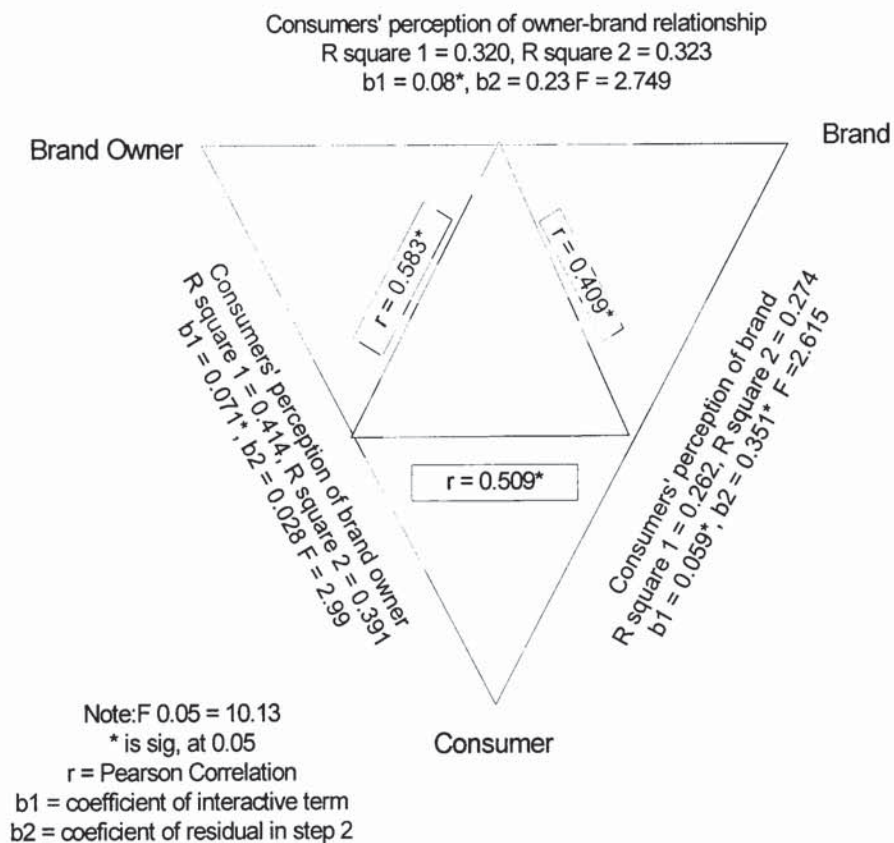


Figure 6.1 Balance results of brand owner-consumer-brand balanced model of original liked brand

The results of both consumers' perception of brand owner and brand owner-brand relationship show that the adjusted R square in the interaction effect model Step 1 has accounted for substantial variance in the criterion and in Step 1, and the coefficient for the interactive term is positive. These results are statistically significant. The coefficient of its residual in Step 2 is also positive although in both cases this coefficient is not statistically significant.

As indicated in Greenwald, Banaji, Rudman, Farnham, Nosek, and Mellott (2002) and also mentioned in Chapter 4, it is expected that (a) the R in Step 1 should account for substantial variance in the criterion, and Step 1 should estimate a numerically positive value for b_1 , and (b) the estimate of b_1 should also be positive in Step 2, although it may be only weakly positive and therefore not necessarily statistically significant. Therefore, results show that both the consumers' perception of the brand owner and brand owner-brand relationship are an interaction term of the other two. As a result, research Hypothesis 1 that **there are more balanced triads in the brand owner-consumer-brand relationship** is also supported.

6.4 Details in Static Brand Owner-Consumer-Brand Relation Model

In this section, the results of attitude and unit relation aspects of brand owner-consumer-brand relationships in relation to the consumers' liked brand are discussed.

6.4.1 Attitude aspects - sentiment

Hypothesis Two

H2a₁: The sentiment perception of the brand owner is positively associated with the sentiment perception of the brand.

This hypothesis can be analyzed with three data sets. The first data set is the consumers' response to the statement: I like this designer or creative director (brand owner), so I like his or her brand. A six-points Likert scale ranging from strongly disagree (1) to strongly agree (6) was used.

Table 6.8 Response to the statement "I like this designer / creative director, so I like his or her brand"

		F	Valid %	Overall %
Strongly disagree	1	10	19.6	52.9%
	2	6	11.8	
	3	11	21.6	
Strongly agree	4	15	29.4	47.1%
	5	7	13.7	
	6	2	3.9	
Z score		0.41		

Note: $Z_{0.05}^* = 1.64$

As shown in Table 6.8, responses tend to cluster in the middle, with a total of 52.9% to the disagree side. The statistically significant results with 95% confidence level should have achieved a Z score of 1.64. However, the Z score in this case is only 0.41, meaning that the result is not statistically significant.

The second set of data was gathered indirectly. Respondents were asked to state the extent to which they liked or disliked the brand when they evaluated

the brand owner they liked. In addition, respondents were asked to state the extent to which they liked or disliked the designer (brand owner) when they evaluated the brand they liked. The results are shown in Tables 6.9 & 6.10.

Table 6.9 Extent to which consumers liked or disliked the brand when they liked the brand owner

Brand		F	Valid %	Overall %
Strongly disliked	1	0	0	0%
	2	0	0	
	3	0	0	
Strongly liked	4	8	15.7	100%
	5	27	52.9	
	6	16	31.4	
Z score		7.14		

Note: $Z_{0.05}$, $Z = 1.64$

Table 6.10 Extent to which consumers liked or disliked the brand owner when they liked the brand

Brand owner		F	Valid %	Overall %
Strongly disliked	1	0	0	0%
	2	0	0	
	3	0	0	
	4	14	27.5	100%
	5	28	54.9	
Strongly liked	6	9	17.6	
Z score		7.14		

Note: $Z_{0.05}$, $Z = 1.64$

Results show that 100% of the consumers liked the brand owner when they liked the brand and vice versa. The results are also statistically significant as Z scores are 7.14, which is above the required 1.64. The third one is the one used for calculating the balanced triads. In Table 6.11, all the 51 respondents indicated they liked the brand owner and they liked the brand (100%), and this is the result when using 3.5 as well as 3.53 as the midpoint. Z score is 7.14, showing that the result is statistically significant.

Table 6.11 Results for the liked brand owner of the originally liked brand

Balance modes	F	Valid %	Overall%
+ + + 1	51	100.0	100.0
Z score	7.14		

Note: In + + +, refers to brand: brand owner: brand: owner-brand relationship

Note: $Z_{0.05}$, $Z = 1.64$

Table 6.12 Results with the liked brand owner of the originally liked brand using 3.90 as the midpoint

Balance Modes			Perception of originally liked brand		
			F	Valid %	Overall %
Liked brand, liked brand owner	+ + +	1.00	44	86.3	92.2%
	+ + -	5.00	3	5.9	
Others	- - +	2.00	0	0	7.8%
	- + -	3.00	0	0	
	+ - -	4.00	1	2.0	
	+ - +	6.00	2	3.9	
	- + +	7.00	1	2.0	
	- - -	8.00	0	0	
Z score			6.02		

Note: $Z^*_{0.05}, Z = 1.64$

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship

In Table 6.12, when using 3.90 as a midpoint, 47 respondents (92.2%) indicated that when they liked the brand owner, they liked the brand. The Z score is 6.02 showing that the result is statistically significant. These findings supported Hypothesis 2a that **the sentiment perception of the brand owner is positively associated with the sentiment perception of the brand** and vice versa.

6.4.2 Attitude aspects - value

The consumers' perception of values and opinion can be looked into from two perspectives. One is the consumers' attitude towards the brand based on their perception of values and opinions with the brand and another is the consumers' attitude towards the brand based on their perception of the brand owner.

Hypothesis

H2b₁: Consumers' attitude towards the brand is positively associated with consumers' perception of the values of and opinions associated with the brand.

This hypothesis tests that consumers perceived sharing similar values and opinions with the brand should be associated positively with positive attitudes towards the brand. Of the 51 respondents, over 60% agreed with the statement that the liked brand is managed with the same philosophy that they themselves hold (Table 6.13). Over 80% agreed that it matches their taste, more than 70%

of the respondents agreed with the statements that the liked brand suits their lifestyle and shows their own personality, and over 68% agreed that they buy items from this brand because it shows their own personality. The computed Z scores are 1.81, 3.50, 4.9, 3.50 and 2.66 respectively and are above 1.64, so these are all statistically significant. These show that for the consumers' liked brand, they share similar values and opinions. These support research Hypothesis 2b that the **consumers' attitude towards the brand is positively associated with the consumers' perception of the values of and opinions associated with the brand.**

Table 6.13 Results of liked brand values

Statement / frequency	Disagree				Agree				Z score
	1	2	3	%	4	5	6	%	
'The brand is managed with the same philosophy I hold'.	1	4	14	37.3	21	7	4	62.7	1.81
'This brand suits my lifestyle'.	1	4	8	25.5	19	15	4	74.5	3.50
'This brand fits my taste'.	0	1	7	15.7	10	21	12	84.3	4.9
'This brand shows my own personality'	1	0	12	25.5	13	21	4	74.5	3.5
'I buy items from this brand because it shows my own personality'	1	5	10	31.4	14	17	4	68.6	2.66

Note: $Z^*_{0.05}, Z = 1.64$

Hypothesis

H2c₁: Consumers' attitude towards the brand is associated with consumers' perception of the values and opinions held by the brand owner.

This hypothesis tests whether the consumers' attitudes towards the brand are associated with their perception of the values and opinions held by the brand owner. Responses concerning the brand owner of their liked brand are that over 70% thought they had similar taste (Table 6.14); however, only 47% thought they had similar values and opinions and just over 30% thought they had similar lifestyle and personality. This is probably because consumers perceived the brand owner as a celebrity, living in a different lifestyle. Results illustrate that TASTE is associated positively, while lifestyle is associated negatively. As a result, this hypothesis is supported.

Table 6.14 Results of the opinion held by liked brand owner

Statement / frequency	Disagree				Agree				Z score
	1	2	3	%	4	5	6	%	
'I think we share similar values and opinions'.	1	10	16	52.9	16	8	0	47.1	-0.41
'I think we have similar taste'.	1	2	11	27.5	24	13	0	72.5	3.21
'I think we have the same lifestyle'	6	16	13	68.6#	14	2	0	31.4	-2.66 2.66#
'I think we have similar personalities'	3	13	18	66.7	16	1	0	33.3	-2.39 2.39#

Note: $Z_{0.05}^* = 1.64$ # is for disagree

6.4.3 Unit relation aspects

Unit relation (conditions under which entities belong together, such as ownership, proximity or potential for future contact) aspects are also looked at from two perspectives, one being unit relation towards the brand and the other the unit relation towards the brand owner.

Hypothesis Three

H3_{a1}: The perception of the brand owner is associated with unit relation towards the brand.

This hypothesis tests that when consumers like the brand owner they would like to have unit relation towards the brand, such as having an item from the brand. Approximately 49% of the respondents agreed with the statement 'I like the designer so I buy items from this brand' (Table 6.15) and 47% agreed that 'I like this designer so I visit his store'. The Z scores are -0.14 and -0.41 respectively and, as they are below 1.64, these results are not statistically significant. However, 76.5% agreed that 'the designer is able to develop items that suit my lifestyle, so I buy items from this brand', with the significant Z score of 3.79. This shows that the consumers' perception of brand owner's ability to develop items that fit their needs leads to unit relation with the brand. This supported this hypothesis.

Table 6.15 Results of the liked brand owner associated with unit relation towards the brand

Statement / frequency	Disagree				Agree				Z score
	1	2	3	%	4	5	6	%	
'I like the designer so I buy items from the brand'.	7	6	13	51	9	12	4	49	-0.14
'I like the designer so I visit his store'.	8	6	13	52.9	12	10	2	47.1	-0.41
'The designer is able to develop items that suit my lifestyle, so I buy items from this brand'	2	5	5	23.5	19	17	3	76.5	3.79

Note: $Z^*_{0.05}, Z = 1.64$

For the unit relation towards the brand owner,

H3_{b1}: The perception of the brand is associated with unit relation towards the brand owner.

This hypothesis tests that perceived liking of the brand is associated positively with unit relation² towards the brand owner. Over 60% of the respondents agree with the statement 'I like this brand so I would like to meet the designer' (Table 6.16). Consequently the null hypothesis 3b that perceived liking of the brand is not associated with unit relation (e.g., proximity) towards the brand owner is rejected. However, approximately 33% of the respondents agree with the statement 'I like this brand so I would like to take a photograph with the designer' and around 35% respondents agree with the statement 'I like this brand so I would like to get an autograph from this designer'. This shows that taking photographs and getting autographs are of less interest to the majority of the respondents.

² Unit relation means entities belong together, such as ownership, proximity or potential for future contact.

Table 6.16 Results of liked brand associated with unit relation towards the brand owner

Statement / frequency	Disagree				Agree				Z score
	1	2	3	%	4	5	6	%	
'I like this brand so I would like to meet the designer'	6	5	9	39.2	11	11	9	60.8	1.54
'I like this brand so I like to take photos with the designer'.	15	8	11	66.7	5	6	6	33.3	-2.39 2.39#
'I like this brand so I like to get autograph from the designer'.	17	7	9	64.7	6	8	4	35.3	-2.1 2.1#

Note: $Z^*_{0.05}, Z = 1.64$; # disagree**H3c₁: Unit relation with the brand is associated with unit relation towards the brand owner.**

This hypothesis tests whether ownership or proximity to the brand is associated with unit relation with the brand owner. Only slightly over 30% of the respondents significantly agreed with the statement 'buying items from this label give me linkage or association with the designer'. This shows the hypothesis is rejected.

Table 6.17 Results of unit relation with liked brand associated with brand owner

Statement / frequency	Disagree				Agree				Z score
	1	2	3	%	4	5	6	%	
'Buying items from this label gives me linkage or association with the designer'	10	15	9	66.7	10	7	0	33.3	-2.39 2.39#

Note: $Z^*_{0.05}, Z = 1.64$; #disagree

6.5 Development of the Dynamic Brand Owner-Consumer-Brand Relation Model

The dynamic part of the Heider's Balance Theory states that when the cognitive balanced states are disturbed, consumers will re-balance their perception so as to reduce tension. The applicability of this dynamic part of the theory into the brand owner-consumer-brand relation model is again tested with survey data of the consumers' liked brand.

Hypothesis Four

H4₁: If we destroy the balanced state of perception, consumers re-structure new balanced triad. Out of the restructured triads, there are more balanced than imbalanced triads.

According to Heider's Balance Theory, the model will re-balanced after the balanced state has been destroyed, this being a reference to the dynamic part of the model. In this study, three different midpoints (see Chapter 4) are used to determine the positive or negative sign of the perception of brand, brand owner, and owner brand relationship. There are two different types of negative experimental stimuli, one being non-ethically related and the other being ethically related, and results of these two conditions are discussed as follows.

When using the arbitrary midpoint of 3.5, and all conditions mean 3.53 as midpoint, 51 cases (100%) of consumers' perception of the brand that they originally liked are in perfect balance (+ + +) mode. When non-ethical negative news was introduced, consumers' perceptions of the brand owner-consumer-brand relationship of the brand they originally liked changed. As shown in Tables 6.18 and 6.19, only 1 case (2.1%) remain in the perfect balance mode, and 40 cases (78.4%) are rebalanced to the negative balance mode (- - +), meaning consumers disliked the brand, disliked the brand owner and thought that the brand owner is related to the brand.

Table 6.18 Balanced results of originally liked brand before and after non-ethical experimental stimuli with the arbitrary midpoint 3.5

Balance Modes			Perception of Originally liked brand		Perception of liked brand after negative non-ethical news of brand owner		
			F	%	F	Valid%	%
Balanced	+++	1.00	51	100%	1	2.0	88.2%
	--+	2.00	0		40	78.4	
	-+-	3.00	0		3	5.8	
	+--	4.00	0		1	2.0	
Imbalanced	++-	5.00	0	0%	0	0	11.8%
	+ - +	6.00	0		2	3.9	
	- + +	7.00	0		1	2.0	
	- - -	8.00	0		3	5.9	
Z score			7.14		5.46		

Note: $Z^*_{0.05}, Z = 1.64$

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship

Table 6.19 Balanced results of originally liked brand before and after non-ethical experimental stimuli with mean 3.53 of all conditions

Balance Modes			Perception of Originally liked brand		Perception of liked brand after negative non-ethical news of brand owner		
			F	%	F	Valid%	%
Balanced	+++	1.00	51	100%	1	2.0	88.2%
	--+	2.00	0		40	78.4	
	-+-	3.00	0		3	5.8	
	+--	4.00	0		1	2.0	
Imbalanced	++-	5.00	0	0%	0	0	11.8%
	+ - +	6.00	0		2	3.9	
	- + +	7.00	0		1	2.0	
	- - -	8.00	0		3	5.9	
Z score			7.14		5.46		

Note: $Z^*_{0.05}, Z = 1.64$

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship

When the overall mean 3.90 is used as midpoint, 44 cases (86%) of the consumers' perception of the brand they originally liked are in perfect balance (+++) mode. When negative non-ethical news was introduced, the consumers' perception of the brand they originally liked changed. As shown in Table 6.20, only 1 case (2%) remains in the perfect balance mode (+++), and 40 cases

(78.4%) are rebalanced to a negative balance mode (- - +), meaning that consumers disliked the brand, disliked the brand owner and thought that the brand owner was related to the brand.

Table 6.20 Balanced results of originally liked brand before and after non-ethical experimental stimuli using the overall mean 3.90 when consumers liked the brand, disliked the brand and all conditions together as midpoint

Balance Modes			Perception of Originally liked brand		Perception of liked brand after negative non-ethical news of brand owner		
			F	%	F	%	%
Balanced	+++	1.00	44	88.3 %	1	2.0	80.4 %
	--+	2.00	0		40	78.4	
	-+-	3.00	0		0	0	
	+--	4.00	1		0	0	
Imbalanced	++-	5.00	3	11.7%	0	0	19.6%
	+ - +	6.00	2		0	0	
	- + +	7.00	1		0	0	
	- - -	8.00	0		10	19.6	
Z score			5.47		4.34		

Note: $Z^*_{0.05}$, $Z = 1.64$ Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship

The resulting total number of balanced triads for the consumers' perception of the liked brand after having received negative non-ethical news of the brand owner is 88.2% with a Z score of 5.46 when using both 3.5 and 3.53 as the midpoint (Table 6.18 and 6.19) and 80.4% with a Z score of 4.34 when using 3.90 as the midpoint (Table 6.20). Since $Z^*_{0.05}$ is 1.64 and the computed Z score values are above this value, there are statistically more restructured balanced triads than imbalanced triads after the balanced state was destroyed. This supports the research hypothesis that if the balanced state of perception is destroyed, consumers re-balance their perceptions.

Chi-square χ^2 relationship analysis was used to test if the frequencies of the perception of the original brand were different from those after non-ethical negative news of the brand owner. A contingency table approach was employed (Cass 1984). Since it is required to have a minimum expected frequency of 5 in each class, data are regrouped. As shown in Tables 6.18 and 6.19, all respondents' views correspond to the triple positive balanced mode (+++), so a change from this mode after the receipt of non-ethical negative news

of the brand owner was tested. The distributions of this triple positive mode compared to other modes with different midpoints are shown in Tables 6.21 and 6.23.

Table 6.21 Consumers' perception of the brand they originally liked before and after receipt of negative non-ethical news of the brand owner (using 3.5 or 3.53 midpoint)

	Perception of Originally liked brand		Perception of liked brand after negative non-ethical news of brand owner	
	F	%	F	%
+++ Triple balance mode	51	100%	1	2%
Other modes	0	0%	50	98%

Table 6.22 Contingency table of liked brand with negative non-ethical news with arbitrary 3.5 and all condition mean 3.53 as midpoints

	Originally liked brand		Liked brand after negative non-ethical news of brand owner		Total
	Observed frequency O	Expected frequency E	Observed frequency O	Expected frequency E	
+++ Triple Positive Mode	51	(26)	1	(26)	52
Others	0	(25)	50	(25)	50
Total	51		51		102
$\chi^2 = 25 + 25 + 25 + 25 = 100$					

Note: $\chi^2_{.05}$ with 7 d.f. is 14.067

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship Note: () expected frequency E for a cell = Row total X column total / grand total

The chi-square results were computed by calculating $(O-E)^2/E$ for each cell of the table. The table contains r rows and c columns, and the number of degrees of freedom for χ^2 is obtained by $d.f. = (r-1)(c-1)$. From the chi-square distribution table, it may be seen that $\chi^2_{.05}$ with 7 d.f. is 14.067. The sample value for χ^2 is 100 when using 3.5 or 3.53 as midpoint to calculate positive or negative sign (see Table 6.22), and this value is well above 14.067. We are therefore able to reject the null hypothesis. The data establish, at the 0.05

significance level, that the frequency for the originally liked brand and the frequency after receipt of negative non-ethical news of the brand owner is statistically different.

Table 6.23 Consumers' perception of the brand they originally liked before and after negative non-ethical news of the brand owner (using 3.9 as midpoint)

	Perception of Originally liked brand		Perception of liked brand after negative non-ethical news of brand owner	
	F	%	F	%
+++ Triple balance mode	44	86%	1	2%
Other modes	7	14%	50	98%

Table 6.24 Contingency table of liked brand with negative non-ethical news with overall means 3.9 as midpoint

	Originally liked brand		Liked brand after negative non-ethical news of brand owner		Total
	Observed frequency O	Expected frequency E	Observed frequency O	Expected frequency E	
+++ Triple Positive Mode	44	(22.5)	1	(22.5)	45
Others	7	(28.5)	50	(28.5)	57
Total	51		51		102
$\chi^2 = 20.5 + 20.5 + 16.2 + 16.2 = 73.4$					

Note: $\chi^2_{.05}$ with 7 d.f. is 14.067

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship Note: () expected frequency E for a cell = Row total X column total / grand total

From the chi-square distribution table, it may be seen that $\chi^2_{.05}$ with 7 d.f. is 14.067. The sample value for χ^2 was 73.4 when using 3.90 as the midpoint to calculate positive or negative signs (see Table 6.24), and this value is well above 14.067. Therefore the null hypothesis is rejected. The data demonstrate, at the 0.05 significance level, that the frequencies of the originally liked brand and after negative non-ethical news of the brand owner are statistically different.

Since not all balanced modes are good for the brand, the results are re-grouped into positive balanced modes (+ + +, + - -), negative balanced mode (- - +, - + -), positive imbalanced mode (+ - +, + + -) and negative imbalanced mode (- + +, - - -). As shown in Table 6.25, the majority of the consumers changed their perceptions of the brand they originally liked from triple positive perfect balance mode (+ + +) to negative balance mode (- - +) when using arbitrary and all conditions midpoints to determine the sign. In addition, a number of triple negative modes (- - -) occurred after introducing experimental stimuli.

Table 6.25 Change in consumers' perception of originally liked brand after non-ethical experimental stimuli with arbitrary and all conditions midpoints (3.5 and 3.53)

	Balanced modes				Imbalanced modes	
		Originally liked brand	After negative non-ethical news		Originally liked brand	After negative non-ethical news
+	+++	51 ↓ (100%)	1 (2%)	+ - +	0 ↑	2 (3.9%)
	+ - -	0 ↑	1 (2%)	+ + -	0 ↑	0
-	- - +	0 ↑	40 (78.4%)	- + +	0 ↑	1 (2%)
	- + -	0 ↑	3 (5.8%)	- - -	0 ↑	3 (5.9%)

When using the overall means midpoint 3.90 to code consumers' perceptions to liked and disliked (Table 6.26), for the brand the consumers originally liked, the majority of the consumers also changed from triple positive (+ + +) mode to negative balanced mode (- - +). In addition, the occurrence of triple negative (- - -) mode is increased to 19%.

Table 6.26 Change in consumers' perception of originally liked brand after non-ethical experimental stimuli with 3.90 overall means midpoint

Balanced modes				Imbalanced modes		
		Originally liked brand	After negative non-ethical news		Originally liked brand	After negative non-ethical news
+	+++	44↓ (86%)	1 (2%)	+-+	2 ↓	0
	+- -	1 ↓ (2%)	0	++ -	3 ↓	0
-	- - +	0 ↑	40 (78.4%)	- + +	1 ↓	0
	- + -	0 ↓	3 (5.8%)	- - -	0 ↑	10 (19.6%)

In addition to negative non-ethical news, the effects of negative ethical news of the brand owner were also investigated. The results in Tables 6.27-29 show that the consumers' perceptions of originally liked brands changed differently when negative news of the brand owner was related to ethical issues. 14 cases (27.5%) remained in a perfect balance (+ + +) mode and 20 cases (39.2%) changed to a negative balance (- - +) mode as shown in Tables 6.27 and 6.28 for the midpoint 3.5 and 3.53 respectively. 9 cases (17.6%) remained in a perfect balance (+ + +) mode and 21 cases (41.2%) in a negative balance (- - +) mode using 3.90 as the mid point as shown in Table 6.29.

Table 6.27 Balance results of originally liked brand before and after negative ethical experimental stimuli using all conditions mean 3.5 as midpoint

Balance Modes				Perception of Originally liked brand		Perception of liked brand after negative ethical news of brand owner		
				F	%	F	Valid%	%
Balanced	+++	1.00	51	100%	14	27.5	80.4	
	--+	2.00	0		20	39.2		
	-+-	3.00	0		0	0		
	+--	4.00	0		7	13.7		
Imbalanced	++-	5.00	0	0%	1	2.0	19.6	
	+ - +	6.00	0		6	11.8		
	- + +	7.00	0		0	0		
	- - -	8.00	0		3	5.9		
Z score				7.14		4.34		

Note: $Z^*_{0.05}$, $Z = 1.64$

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship

Table 6.28 Balance results of originally liked brand before and after negative ethical experimental stimuli using arbitrary 3.53 as midpoint

Balance Modes			Perception of Originally liked brand		Perception of liked brand after negative ethical news of brand owner		
			F	%	F	Valid%	%
Balanced	+++	1.00	51	100%	14	27.5	80.4
	--+	2.00	0		20	39.2	
	-+-	3.00	0		0	0	
	+--	4.00	0		7	13.7	
Imbalanced	++-	5.00	0	0%	1	2.0	19.6
	+ - +	6.00	0		6	11.8	
	- + +	7.00	0		0	0	
	- - -	8.00	0		3	5.9	
Z score			7.14		4.34		

Note: $Z^*_{0.05}$, $Z = 1.64$

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship

Table 6.29 Balance results of originally liked brand before and after negative ethical experimental stimuli using the overall means 3.90 (when consumers liked the brand, disliked the brand and all conditions together) as midpoint

Balance Modes			Perception of Originally liked brand		Perception of liked brand after negative ethical news of brand owner		
			F	%	F	Valid%	%
Balanced	+++	1.00	48	96%	9	17.6	76.4
	--+	2.00	0		21	41.2	
	-+-	3.00	0		0	0	
	+--	4.00	1		9	17.6	
Imbalanced	++-	5.00	2	4%	0	0	23.6
	+ - +	6.00	0		1	2.0	
	- + +	7.00	0		0	0	
	- - -	8.00	0		11	21.6	
Z score			6.57		3.77		

Note: $Z^*_{0.05}$, $Z = 1.64$

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship

Chi-square χ^2 relationship analysis was used to test if the frequencies of the perception of the original brand were different from those after non-ethical negative news of the brand owner. A contingency table approach was employed. Since it is required to have a minimum expected frequency of 5 in each class, data are regrouped. Similar to the cases for consumers' responses to

non-ethical news, the change from triple positive mode (+ + +) after receipt of negative ethical news of the brand owner was tested.

Table 6.30 Consumers' perception of the brand they originally liked before and after negative ethical news of the brand owner (using 3.5 or 3.53 midpoint)

	Perception of Originally liked brand		Perception of liked brand after negative non-ethical news of brand owner	
	F	%	F	%
+ + + Triple balance mode	51	100%	14	27.5%
Other modes	0	0%	37	72.5%

Table 6.31 Contingency table of liked brand with negative ethical news with arbitrary 3.5 and all condition mean 3.53 as midpoints

	Originally liked brand		Liked brand after negative non-ethical news of brand owner		Total
	Observed frequency O	Expected frequency E	Observed frequency O	Expected frequency E	
+++ Triple Positive Mode	51	(32.5)	14	(32.5)	65
Others	0	(18.5)	37	(18.5)	37
Total	51		51		102
$\chi^2 = 10.53 + 10.53 + 18.5 + 18.5 = 58.06$					

Note: $\chi^2_{.05}$ with 1 d.f. is 3.841

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship Note: () expected frequency E for a cell = Row total X column total / grand total

Table 6.32 Consumers' perception of the brand they originally liked before and after negative ethical news of the brand owner (using 3.9 as midpoint)

	Perception of Originally liked brand		Perception of liked brand after negative non-ethical news of brand owner	
	F	%	F	%
+ + + Triple balance mode	44	86%	9	17.6%
Other modes	7	14%	42	82.4%

Table 6.33 Contingency table of liked brand with negative ethical news with overall means 3.9 as midpoint

	Originally liked brand		Liked brand after negative non-ethical news of brand owner		Total
	Observed frequency O	Expected frequency E	Observed frequency O	Expected frequency E	
+++ Triple Positive Mode	44	(26.5)	9	(26.5)	53
Others	7	(24.5)	42	(24.5)	49
Total	51		51		102
$\chi^2 = 11.56 + 11.56 + 12.5 + 12.5 = 48.12$					

Note: $\chi^2_{.05}$ with 1 d.f. is 3.841

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship Note: () is expected frequency E for a cell = Row total X column total / grand total

The chi-square values of the sample are 58.06 and 48.12 respectively (Tables 6.31 and 6.33), and $\chi^2_{.05}$ with 1 d.f. is 3.841. These data shown that, at a 0.05 significance level, the frequencies of the originally liked brand and those after negative ethical news of the brand owner are statistically different. Evidence shows that when negative news (both ethical and non-ethical) was introduced, consumers' perceptions of brand owner-consumer-brand relationship of the brand they liked changed. The resulting total numbers of balanced triads for the consumers' perception of the liked brand after negative ethical news of the brand owner are 80.4% and 76.4% respectively (Tables 6.27-6.29). The Z score values computed are 4.34 and 3.77, and $Z^*_{.05}$ is 1.645. We can, therefore, mentioned that there are statistically more restructured balanced triads than imbalanced triads after the balanced state was destroyed.

All the above results support H4 that **if we destroy the balanced state of perception, consumers re-structure new balanced triads. Out of the restructured triads, there are more restructured balanced than imbalanced triads.** This shows consumers re-balance their perceptions.

As mentioned above, not all balanced modes are good for the brand, so results are re-grouped into positive balanced modes (+ + +, + - -), negative balanced mode (- - +, - + -), positive imbalanced mode (+ - +, + + -) and negative imbalanced mode (- + +, - - -). As shown in Table 6.34, over 35% of the consumers changed their perception of the brand they originally liked from triple positive perfect balance mode (+ + +) to negative balance mode (- - +) when using arbitrary and all conditions midpoints to determine the sign. Over 25% remained in a triple positive (+ + +) mode. In addition, a number of triple negative mode (- - -) formations occurred after introducing experimental stimuli.

Table 6.34 Change in consumers' perception of originally liked brand after ethical experimental stimuli with arbitrary and all conditions midpoints

		Balanced modes			Imbalanced modes	
		Originally liked brand	After negative ethical news		Originally liked brand	After negative ethical news
+	+++	51↓ (100%)	14 (27.5%)	+ - +	0 ↑	6 (11.8%)
	+ - -	0 ↑	7 (13.7%)	+ + -	0 ↑	1 (2%)
-	- - +	0 ↑	20 (39.2%)	- + +	0	0
	- + -	0	0	- - -	0 ↑	3 (5.9%)

When using the overall means midpoint 3.90 to code consumers' perceptions of liked and disliked (Table 6.35), for the brand the consumers originally liked, over 40% of the consumers also changed from the triple positive (+ + +) mode to a negative balanced mode (- - +). Around 17% of the consumers remained holding triple positive perceptions. In addition, a significant increase in occurrence of the triple negative (- - -) mode has been identified.

Table 6.35 Change in consumers' perception of originally liked brand after ethical experimental stimuli with 3.90 overall mean midpoint

	Balanced modes				Imbalanced modes	
		Originally liked brand	After negative non-ethical news		Originally liked brand	After negative non-ethical news
+	+++	44↓ (86%)	9 (17.6%)	+ - +	2 ↓	1 (2%)
	+ - -	1 ↓ (2%)	9 (17.6%)	+ + -	3 ↓	0
-	- - +	0 ↑	21 (41.2%)	- + +	1 ↓	0
	- + -	0	0	- - -	0 ↑	11 (21.6%)

6.6 Applicability of the Static Brand Owner-Consumer-Brand Relation Model with Consumers' Original Disliked Brand

The applicability of Heider's Balance Theory was tested in the brand owner-consumer-brand relationship and the Brand Owner-Consumer-Brand Relation Model was developed using data of the consumers' originally liked brand. In the following section, the test of the applicability of the newly developed Brand Owner-Consumer-Brand Relation Model in the situations when consumer disliked the brand is discussed. The hypotheses initially used to develop the model are subsequently used to evaluate the applicability of the model to the originally disliked brand.

As stated in Section 6.1, consumers were interviewed face-to-face in this study. However, two of the interviewed consumers informed that they were unable to make any statement about the brands which they do not like, and one consumer held differing views about the different disliked brands, so the responses were for two disliked brands. As a result, the sample size for the disliked brands is 50.

6.6.1 Balanced triads

Hypothesis One

H1₁: In the brand owner-consumer-brand relationship, there are more balanced triads than imbalanced triads.

As for Section 6.3, the first method used to test this hypothesis was to calculate the number of balanced and imbalanced triads. Using midpoints 3.5, 3.53, and 3.90, the number of balanced triads representing the consumers' perception of the brand that they originally disliked was calculated.

Table 6.36 Balance result of disliked brand (cumulative percent) using the arbitrary 3.5 as midpoint

Balance Modes				Perception of originally disliked brand		
				F	Valid %	Overall %
Balanced	+	+	+	1	2	86%
	-	-	+	41	84	
	-	+	-	1	86	
	+	-	-	0	86	
Imbalanced	+	+	-	0	86	14 %
	+	-	+	1	88	
	-	+	+	1	90	
	-	-	-	5	100	
Z score				5.09		

Note: $Z_{0.05}^* = 1.64$

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship

Table 6.37 Balance result of disliked brand (cumulative percent) using the calculated means of all conditions 3.53 as midpoint

Balance Modes				Perception of originally disliked brand		
				F	Valid %	Overall %
Balanced	+	+	+	1	2	86%
	-	-	+	41	84	
	-	+	-	1	86	
	+	-	-	0	86	
Imbalanced	+	+	-	0	86	14 %
	+	-	+	1	88	
	-	+	+	1	90	
	-	-	-	5	100	
Z score				5.09		

Note: $Z_{0.05}^* = 1.64$

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship

As shown in Tables 6.36 and 6.37, when using the arbitrary 3.5 midpoint and all conditions mean midpoint 3.53 respectively, 84 percent of consumers' perceptions of the original disliked brand is with negative balanced triads (- - +), This means that the consumers dislike the brand, dislike the brand owner and think that the brand and brand owner are positively related positively. Since the calculated all conditions mean midpoint is 3.53, which is very close to the arbitrary midpoint 3.5, the results are the same. Z scores were computed to test the statistical significance of comparing two sample percentages, that is, if the comparison of balanced and imbalanced percentages is statistically

significant. The Z score is 5.09, and $Z^*_{0.05}$ is 1.645. As the Z score is above 1.645, we are able to reject the null hypothesis and claim that there are significantly more balanced triads than imbalanced triads in the brand owner-consumer-brand relation model.

As shown in Tables 6.36 and 6.37, there is one case of a perfect balanced mode (+ + +) and one case of (+ - +) mode; therefore, it is of interest to look into the details of consumers' perceptions as it seems that they are having positive perception of the disliked brand.

For the one case (2%) of perfect balanced mode (+ + +), which means the overall perception of the brand that the consumer thinks she disliked is actually with positive perceptions, the scores of this consumer were therefore analyzed in detail. It was found that when asked to give just an overall perception score of the 'disliked' brand, the answer is 3. She dislikes the style (3), the character (3), the collection (3), and the projected lifestyle (3) of the brand, but she likes the quality (5), the fitting (4) and the material (5) used by the brand. She dislikes the collection (3), lifestyle (3) of the brand owner but likes the quality (5), character (4) and material (5) used by the brand owner. In addition, she thinks that the brand and the brand owner are related positively. As a result, her overall perceptions of brand, brand owner and their relationship all have average scores of above 3.75.

For the other case with (+ - +) imbalanced mode, when the scores are analyzed in detail it can be seen that she also dislikes the style (2), collection (2), and projected lifestyle (2) of the brand but likes the quality (5), fitting (5), and the material (5) of the brand. This explains why she has, averaged, a positive perception of the brand. In addition, she thinks that the brand owner and the brand are related.

Table 6.38 Balance result of disliked brand (cumulative percent) using the overall means 3.90 (when calculated consumers liked the brand, disliked the brand and all conditions together) as midpoint

Balance Modes				Perception of originally disliked brand			
				F	Valid %	Overall %	
Balanced	+	+	+	1.00	0	78%	
	-	-	+	2.00	38		76
	-	+	-	3.00	1		2
	+	-	-	4.00	0		0
Imbalanced	+	+	-	5.00	0	22 %	
	+	-	+	6.00	0		0
	-	+	+	7.00	0		0
	-	-	-	8.00	11		22
Z score				3.96			

Note: $Z^*_{0.05}$, $Z = 1.64$

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship

Table 6.38 shown that 76 percent consumers' perceptions of their original disliked brand have negative balance (- - +) when using the overall means 3.90 (when calculated consumers liked the brand, and disliked the brand as midpoint). This means that the consumers dislike the brand, dislike the brand owner and think brand owner and the brand are positively related. Z score was computed to test the statistical significance of comparing two sample percentages, that is, if the comparison of balanced (78%) and imbalanced (22%) percentages is statistically significant. The Z score is 3.96 and $Z^*_{0.05}$ is 1.645. As the Z score is above 1.645, we are able to reject the null hypothesis and claim that there are significantly more balanced triads than imbalanced triads in the brand owner-consumer-brand model with the disliked brand.

The second method used to test this hypothesis is with the modified Greenwald model using the residual centering approach. The consumer's perception of the brand is tested as the interaction of consumer's perception of the brand owner and that of the brand owner-brand relationship (see Section 6.3 for details).

Model results for the consumers' originally disliked brand are as follows:

$$B = 1.458 + 0.083(O \times Obr) + e... (1)$$

(6.731)*** (4.099)***

$$B = 0.490 + 0.175(O \times Obr)_{resid} + 0.568(O) + 0.111 (Obr) + e... (2)$$

(0.832) (1.749)# (5.062)* (1.087)

***significant level 0.00

*significance level 0.05

significance level 0.10

O = consumers' perception of brand owner; B = consumers' perception of brand; Obr = consumers' perception of brand owner and brand relationship

The adjusted R square of the interaction effect model R^2_1 was equal to 0.244, and the adjusted R square of the full effect model R^2_2 was equal to 0.317. This illustrates that Equation 1 explains 24% of the criterion variance, with 7% additional variance explained by Equation 2. In order to test if the increment in the adjusted R square is significant, the F ratio of the variance estimate of the regression of interaction effect model and that of the variance estimate of the full effect model was computed based on the results which are shown in Table 6.39.

Table 6.39 Anova results of the interaction effect and full effect models

	Sum of square	df	Variance estimate	F	Sig.
Regression 1	6.212	1	6.212	16.799	.000
Regression 2	8.607	3	2.869	8.595	.000
Residual 1	17.751	48	.370		
Total	23.963	49			
F ratio	6.212/2.869			2.149	

$F_{0.05} = 10.13$

The critical value of $F_{0.05}$ with 1 degree of freedom for the numerator and 3 degrees of freedom for the denominator is $F_{0.05} = 10.13$. The F ratio was calculated to be 6.212/2.869, equal to 2.149, which is smaller than the critical F value. As a consequence, we cannot reject the null hypothesis that there is no difference in variances between the two models. As a result, the notion that there is no significant incremental variance explained by the full effect model is supported.

The result shows that in the models of consumers' perceptions of brand is a function of the interaction term, meaning that it can be explained entirely by the interaction of consumer's perception of the brand owner and that of the brand owner-brand relationship. This is because the adjusted R square R^2_1 in the interaction effect model Step 1 accounts for substantial variance in the criterion and in Step 1, the coefficient for the interactive term is positive, so is the coefficient of its residual in Step 2. (Note: as mentioned in Chapter 4 and again in Section 6.2 the coefficient of its residual in Step 2 may be very weak and may be statistically insignificant. In this present study, the coefficient of its residual in Step 2 is statistically significant at the 0.1 level, which is therefore accepted).

As the interaction term can explain the model entirely, meaning that all the triads are balanced, research Hypothesis 1 that there are more balanced triads in the brand owner-consumer-brand relationship is supported.

The same can be applied to test the consumer's perception of the brand owner and the brand owner-brand relationship as interactive term of the other two using consumer's responses to the disliked brand and brand owner. That is, consumers' perceptions of the brand owner can also be tested as the interaction of the consumers' perceptions of the brand and of the brand owner-brand relationship, as well as the consumers' perceptions of the brand owner-brand relationship tested as the interaction of consumers' perceptions of the brand and that of the brand owner. The results are shown in Figure 6.2.

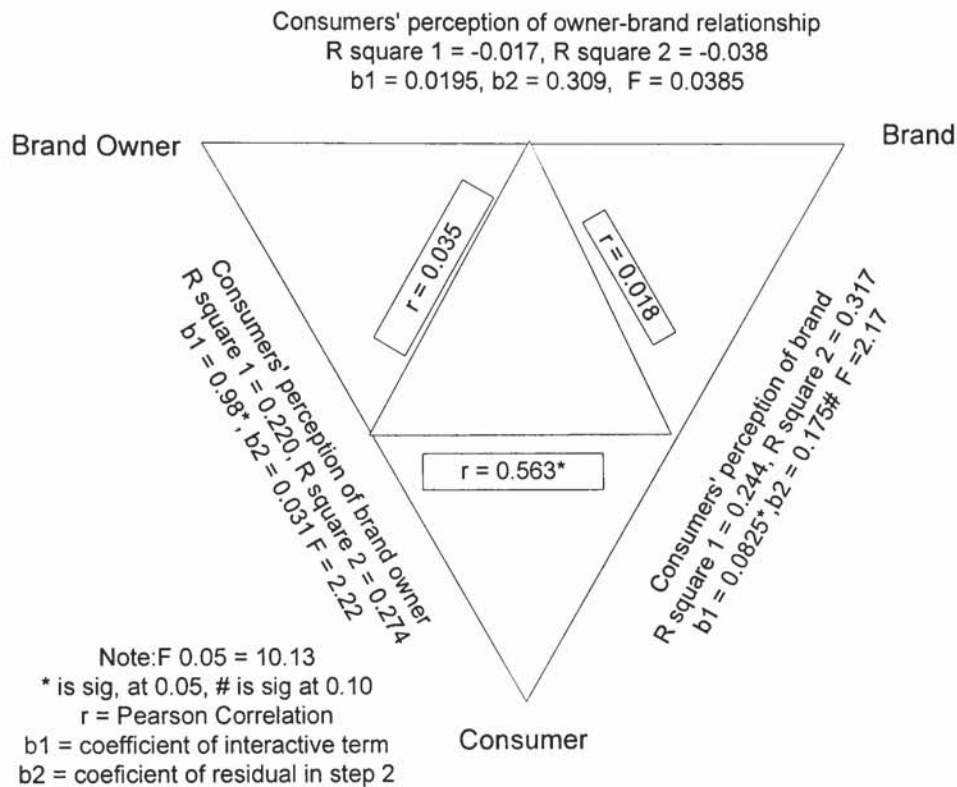


Figure 6.2 Balance results of brand owner-consumer-brand model of original disliked brand

Consumer's perception of brand owner of disliked brand has been found to be also a function of the interaction term of the consumer's perception of the brand and the consumer's perception of the brand owner-brand relationship. This is supported by the result that the coefficient of the interaction term is positive and is statistically significant, as the adjusted R^2 of the interaction model is equal to 0.22 and that of the full model is 0.27. Since the computed F ratio is 2.22, which is lower than the critical F value of 10.13, the notion that there is no significant variance explained by the full effect model is also supported. The research Hypothesis 1a that **there are more balanced triads in the brand owner-consumer-brand relationship** is again supported.

The consumer's perception of brand owner-brand relationship as an interactive function of the consumer's perception of the brand and the consumer's perception of the brand owner is not supported as the coefficient of the interaction term in Step One, though positive, is not statistically significant.

However, this does not influence the research Hypothesis 1 that **there are more balanced triads in the brand owner-consumer-brand relationship** as this hypothesis has already been supported by previous cases.

6.6.2 Attitude aspects - sentiment - with consumers' disliked brand

The methods used to test and develop the model with the consumers' liked brand are also used here to test the applicability of the developed model to the consumers' disliked brand.

Hypothesis Two

H2a₁: The sentiment perception of the brand owner is positively associated with the sentiment perception of the brand.

In the case of the consumers' disliked brand, a negative perception of the brand is positively associated with a negative perception of the brand owner and vice versa. This hypothesis is also analyzed with three data sets. The first data set is for the consumers' responses to the statement: I like this designer / creative director (brand owner), so I like his / her brand. A six-points Likert scale ranging from strongly disagree (1) to strongly agree (6) was used.

Table 6.40 Consumers' disliked brand response to the statement: I like this designer so I like the brand

		F	Valid %	Overall %
Strongly disagree	1	40	80.0	100%
	2	9	18.0	
	3	1	2.0	
	4	0	0	0%
	5	0	0	
Strongly agree	6	0	0	
Z score		7.07		

Note: $Z^*_{0.05}, Z = 1.64$

As shown in Table 6.40, for the consumers' disliked brand, as predicted, 100% disagreed with the statement and the result is statistically significant with a Z score of 7.07. However, this result may only indicate that they disagreed with

the statement that 'they like the designer'. As a consequence, this method may not be appropriate for analysing the hypothesis.

For the second data set, consumers were asked indirectly. They were asked to state the extent to which they liked/disliked the brand when they disliked the brand owner, as well as the extent to which they liked/disliked the brand owner when they disliked the brand. The results are shown in Tables 6.41 and 6.42.

Table 6.41 Results of consumers' perception of brand when they disliked the brand owner

Brand perception of disliked brand owner		F	Valid %	Overall %
Strongly disliked	1	15	30.0	100%
	2	24	48.0	
	3	11	22.0	
Strongly liked	4	0	0	0%
	5	0	0	
	6	0	0	
Z score				7.07

Note: $Z_{0.05}^* = 1.64$

Table 6.42 Results of consumers' perception of brand owner when they disliked the brand

Brand owner perception of disliked brand		F	Valid %	Overall %
Strongly disliked	1	11	22.0	84%
	2	17	34.0	
	3	14	28.0	
Strongly liked	4	7	14.0	16%
	5	1	2.0	
	6	0	0	
Z score				4.8

Note: $Z_{0.05}^* = 1.64$

As shown in Table 6.41, when consumers disliked the brand owner, 50 cases (100%) disliked the brand. The Z score is 7.07, therefore the result is statistically significant. When consumers disliked the brand, 42 cases (84%) disliked the brand owner (Table 6.42). The Z score is 4.8, which is above the required 1.64, therefore statistically significant. Research Hypothesis 2a that **the sentiment perception of the brand owner is positively associated with the sentiment perception of the brand** is therefore supported.

For the third data set using the balanced results of disliked brand, only balance modes 2 and 8 demonstrate that the consumers dislike the brand and dislike the brand owner. As shown in Table 6.43, using arbitrary 3.5 and all conditions mean of 3.53 as the midpoint, 41 respondents (82%) indirectly indicated that they dislike the brand, they dislike the brand owner and they think the brand owner and the brand are related (- - +); and 5 respondents (10%) indirectly indicated that they dislike the brand, they dislike the brand owner and they think the brand and the brand owner are not related (- - -). In total, there are 46 respondents (92%) indicating that they dislike the brand and they dislike the brand owner. The result is statistically significant as the Z score is 5.94.

Table 6.43 Balance result of consumer disliked brand owner and disliked brand (cumulative percent) using the arbitrary 3.5 and all conditions mean of 3.53 as midpoint

Balance Modes				Perception of originally disliked brand		
				F	Valid %	Overall %
Dislike brand owner, dislike brand	- - +	2.00	41	82	92%	
	- - -	8.00	5	10		
Others	+ + +	1.00	1	2	6%	
	- + -	3.00	1	2		
	+ - -	4.00	0	0		
	+ + -	5.00	0	0		
	+ - +	6.00	1	2		
	- + +	7.00	1	2		
Z score				5.94		

Note: $Z^*_{0.05}$, $Z = 1.64$ Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship

Table 6.44 Balance result of consumer disliked brand owner and disliked brand (cumulative percent) using the overall means 3.90 as midpoint

Balance Modes					Perception of originally disliked brand		
					F	Valid %	Overall %
Dislike brand owner, dislike brand	- - +	2.00	38	76	98%		
	- - -	8.00	11	22			
Others	+ + +	1.00	0	0	2 %		
	- + -	3.00	1	2			
	+ - -	4.00	0	0			
	+ + -	5.00	0	0			
	+ - +	6.00	0	0			
	- + +	7.00	0	0			
Z score					6.79		

Note: $Z^*_{0.05}, Z = 1.64$

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship

When the overall mean 3.90 was used as midpoint, the results shown in Table 6.44 indicate that there are 49 (38 + 11) respondents representing 98% (76% + 22%) disliking the brand and the brand owner. The Z score is 6.79, meaning that the result is statistically significant. This clearly demonstrates that the negative perception of the brand owner is associated positively with the negative perception of the brand. As a result, the Hypothesis 2a: **the sentiment perception of the brand owner is positively associated with the sentiment perception of the brand** is supported.

6.6.3 Attitude aspects – value – with consumer's disliked brand

Hypothesis

H2b₁: Consumers' attitude towards the brand is positively associated with consumers' perception of the values of and opinions associated with the brand.

This hypothesis suggests that when consumers have a negative attitude towards the brand, they will correspondingly have a negative perception of the values and opinions which are associated with the brand. As may be seen from the results in Table 6.45, for consumers' disliked brands, 50 respondents (100%) indicated they disagree with the statements that 'this brand is managed with the same philosophy I hold', 'this brand suits my lifestyle', 'this brand fits my taste', 'this brand shows my own personality', and 'I buy items from this brand because it shows my own personality'.

This means they think that for the brand that they dislike, they think the brand is not managed with the philosophy they hold, does not suit their lifestyle, nor fit their taste, nor show their personality and they therefore do not buy items from this brand. They have negative perceptions of the values and opinions that the brand represents. The Z score is 7.07, meaning that the results are statistically significant. This supports the hypothesis that the **consumer's attitude towards the brand is positively associated with the consumers' perception of the values of and opinions associated with the brand.**

Table 6.45 Results of disliked brand values

Statement / frequency	Disagree				Agree				Z score
	1	2	3	%	4	5	6	%	
'The brand is managed with the same philosophy I hold'.	37	13	0	100	0	0	0	0	7.07
'This brand suits my lifestyle'.	37	12	1	100	0	0	0	0	7.07
'This brand fits my taste'.	43	7	0	100	0	0	0	0	7.07
'This brand shows my own personality'	39	10	1	100	0	0	0	0	7.07
'I buy items from this brand because it shows my own personality'	43	6	1	100	0	0	0	0	7.07

Note: $Z^*_{0.05}$, $Z = 1.64$

H2c₁: Consumers' attitude towards the brand is associated with consumers' perception of the values and opinions held by the brand owner.

Table 6.46 Results of the opinions held by the disliked brand owner

Statement / frequency	Disagree				Agree				Z score
	1	2	3	%	4	5	6	%	
'I think we share similar values and opinions'.	32	16	1	98	0	1	0	2	6.79
'I think we have similar taste'.	37	11	1	98	1	0	0	2	6.79
'I think we are having the same lifestyle'	38	8	2	96	1	1	0	4	6.5
'I think we have similar personalities'	36	9	4	98	1	0	0	2	6.79

Note: $Z^*_{0.05}$, $Z = 1.64$ # is for disagree

This hypothesis suggests that consumers' attitudes towards the brand are associated with their perception of the values and opinions associated with the brand owner. When referring to perception of the brand owner of the disliked brand, 49 respondents (98%) disagreed with the statements 'I think we share similar values and opinions', 'I think we have similar taste', and 'I think we have similar personality' (as shown in Table 6.46). The Z scores for these results are above the required 1.64 and are therefore statistically significant. These results support the hypothesis 2c.

6.6.4 Unit relation aspects

The methods used to test and develop the model for consumers' liked brand are also used here for testing the applicability of the developed model to the consumers' disliked brand.

Hypothesis Three

H3_{a1}: The perception of the brand owner is associated with unit relation towards the brand.

This hypothesis suggests that consumers' perceptions of the brand owner have linkage to their unit relation³ with the brand. When referring to the consumers'

³ Unit relation means entities belong together, such as ownership, proximity, etc.

perceptions of their disliked brand owner, 100% of the respondents disagree with the statement 'I like the designer so I buy items from this brand' (Table 6.47) as well as 'I like this designer so I visit his store'. Since this is not the brand they like, the designer cannot develop items that match their lifestyle. All of the Z scores are 7.07; as they are above 1.64 these results are statistically significant. However, these results may have only referred to the fact that they disagree with the statement 'they like the designer' and this brand does not match their lifestyle'. This method may be inappropriate to analyse the hypothesis.

Table 6.47 Results of the disliked brand owner associated with unit relation towards the brand

Statement / frequency	Disagree				Agree				Z score
	1	2	3	%	4	5	6	%	
'I like the designer so I buy items from the brand'.	43	7	0	100	0	0	0	0	7.07
'I like the designer so I visit his store'.	44	6	0	100	0	0	0	0	7.07
'The designer is able to develop items that suit my lifestyle, so I buy items from this brand'	40	10	0	100	0	0	0	0	7.07

Note: $Z_{0.05}, Z = 1.64$

H3_{b1}: The perception of the brand is associated with unit relation towards the brand owner.

This hypothesis states that when consumers do not like the brand they do not like the brand owner. When referring to consumers' perceptions of their disliked brand, none of the respondents were found to agree with the statement 'I like this brand so I would like to meet the designer' (Table 6.48), no respondents said they agree with the statement 'I like this brand so I would like to take a photograph with the designer' and similarly no respondents said they agree with the statement 'I like this brand so I would like to get an autograph from this designer'. Again this result may only refer to the fact that they disagree with the statement 'they like the brand'. As a result, the method used may not have been appropriate for analysing the hypothesis.

Table 6.48 Results of disliked brand associated with unit relation towards the brand owner

Statement / frequency	Disagree				Agree				Z score
	1	2	3	%	4	5	6	%	
'I like this brand so I would like to meet the designer'	39	10	1	100	0	0	0	0	7.07
'I like this brand so I would like to take photos with the designer'.	42	7	1	100	0	0	0	0	7.07
'I like this brand so I would like to get an autograph from the designer'.	42	8	0	100	0	0	0	0	7.07

Note: $Z^*_{0.05}, Z = 1.64$ **H3c₁: Unit relation with the brand is associated with unit relation towards the brand owner.**

This hypothesis tests that ownership or proximity to the brand is associated positively with unit relation with the brand owner. When they do not like the brand, and do not like the brand owner, then the unit relation should be associated negatively. Over 92% disagree significantly with the statement, the Z score being 5.94, therefore the hypothesis is supported.

Table 6.49 Results of unit relation with disliked brand associated with brand owner

Statement / frequency	Disagree				Agree				Z score
	1	2	3	%	4	5	6	%	
'Buying items from this label gives me linkage or association with the designer'	3	9	2	92	3	0	1	8	-5.94 5.94#

Note: $Z^*_{0.05}, Z = 1.64$

is for disagree

6.7 Consumers' Original Disliked Brand Dynamic Model

The dynamic part of Heider's Balance Theory is found to be applicable in the brand owner-consumer-brand relation model as shown in Section 6.4. This section discusses the investigation carried out to determine whether the developed Dynamic Brand Owner-Consumer-Brand Relation Model can also be applied in the case of the disliked brand so as to validate the model.

The same applies as for Hypothesis Four (H4): **If we destroy the balanced state of perception, consumers restructure new balanced triads. Out of the restructured triads, there are more balanced than imbalanced triads.** As shown in Section 6.4, the results of using arbitrary 3.5 and all conditions mean 3.53 as the midpoint are the same, so in this section the results of these two situations are grouped together.

Table 6.50 shows that 41 cases (82%) of the consumers' perception of the originally disliked brand are in negative balanced mode (- - +) meaning the consumers do not like the brand, do not like the brand owner and think that the brand and the brand owner are related. When positive news was introduced, a number (13 cases or 26%) of consumers' perceptions of the brand that they originally disliked changed to a perfect balanced mode (+ + +), meaning that these consumers now changed their perception to liking the brand, liking the brand owner and thinking that the brand and the brand owner are related. Others (24 cases or 48%) remain the same, having negative balanced modes. The resultant total number of balanced triads for the consumers' perception of disliked brand after introduction of positive news is 80% and the Z score is 4.24, which is larger than 1.645. It can therefore be stated that there are statistically more rebalanced triads than imbalanced triads after the balanced state was destroyed.

Table 6.50 Balanced results of originally disliked brand before and after opposite experimental stimuli (with 3.5 or 3.53 as midpoint)

Balance Modes			Perception of Originally disliked brand			Perception of disliked brand after positive news of brand owner		
			F	Valid %	%	F	Valid %	%
Balanced	+++	1.00	1	2	86	14	28	80
	--+	2.00	41	82		24	48	
	-+-	3.00	1	2		1	2	
	+--	4.00	0	0		1	2	
Imbalanced	++-	5.00	0	0	14	0	0	20
	+ - +	6.00	1	2		1	2	
	- + +	7.00	1	2		2	4	
	- - -	8.00	5	10		7	14	
Z score			5.09			4.24		

Note: $Z^*_{0.05}$, $Z = 1.64$

Table 6.51 Balanced results of originally disliked brand before and after opposite experimental stimuli with 3.90 as midpoint

Balance Modes			Perception of Originally disliked brand			Perception of disliked brand after positive news of brand owner		
			F	Valid %	%	F	Valid %	%
Balanced	+++	1.00	0	0	78	10	20	62
	--+	2.00	38	76		20	40	
	-+-	3.00	1	2		1	2	
	+--	4.00	0	0		0	0	
Imbalanced	++-	5.00	0	0	22	0	0	38
	+ - +	6.00	0	0		1	2	
	- + +	7.00	0	0		0	0	
	- - -	8.00	11	22		18	36	
Z score			3.96			1.70		

Note: $Z^*_{0.05}$, $Z = 1.64$

Chi-square relationship analysis was used to test if the frequencies of the perception of the originally disliked brand are different from those after positive news of the brand owner. A contingency table approach (Table 6.53) was employed. Since it is required to have a minimum expected frequency of 5 in each class, data were regrouped. The majority of the consumers was found to have a negative balance mode (- - +) for the brand that they originally disliked. As a result, the change from negative balance mode (- - +) after positive news of the brand owner was tested.

Table 6.52 Consumers' perception of the brand they originally disliked before and after positive news of the brand owner (using 3.5 or 3.53 midpoint)

	Perception of originally disliked brand		Perception of disliked brand after positive news of brand owner	
	F	%	F	%
--+ negative balance mode	41	82%	24	48%
Other modes	9	18%	26	52%

Table 6.53 Contingency table of disliked brand with positive news of the brand owner using arbitrary 3.5 and all condition mean 3.53 as midpoints

	Originally disliked brand		Disliked brand after positive news of brand owner		Total
	Observed frequency O	Expected frequency E	Observed frequency O	Expected frequency E	
--+ negative balance mode	41	(32.5)	24	(32.5)	65
Others	9	(17.5)	26	(17.5)	35
Total	50		50		100

$\chi^2 = 2.22 + 2.22 + 4.13 + 4.13 = 12.7$

Note: $\chi^2_{.05}$ with 1 d.f. is 3.841

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship Note: () expected frequency E for a cell = Row total X column total / grand total

Table 6.54 Consumers' perception of the brand they originally disliked before and after positive news of the brand owner (using 3.90 as midpoint)

	Perception of originally disliked brand		Perception of disliked brand after positive news of brand owner	
	F	%	F	%
--+ negative balance mode	44	86%	9	17.6%
Other modes	7	14%	42	82.4%

Table 6.55 Contingency table of disliked brand with positive news with overall means 3.90 as midpoint

	Originally disliked brand		Disliked brand after positive news of brand owner		Total
	Observed frequency O	Expected frequency E	Observed frequency O	Expected frequency E	
- - + negative balance mode	38	(29)	20	(29)	58
Others	12	(21)	30	(21)	42
Total	50		50		100
$\chi^2 = 2.79 + 2.79 + 3.86 + 3.86 = 6.65$					

Note: $\chi^2_{.05}$ with 1 d.f. is 3.841

Position in the balance mode: +, +, + correspond to brand, brand owner, owner-brand relationship Note: () expected frequency E for a cell = Row total X column total / grand total

The chi-square value is 12.7 when using 3.5 or 3.53 as the midpoint; and 6.65 when using 3.9 as the midpoint; and $\chi^2_{.05}$ with 1 d.f. is 3.841. Since the sample values are above 3.841, we are therefore able to reject the null hypothesis. These data establish, at the 0.05 significant level, that the frequency of the original disliked brand and the frequency after introducing positive news of brand owner are statistically different.

Evidence shows that when positive news was introduced, some consumers' perceptions of the brand owner-consumer-brand relationship changed and some did not. It is of interest to investigate the reason why some consumers did not change their perception.

As the study was conducted with face-to-face interviews, the researcher could immediately asked follow-up questions and some of the responses are given as follows:

"This is the designer that I do not like. No matter what good changes he or she has made, the brand will still be the style that I do not like. Otherwise, the designer is changed for the brand."

"I will not change the perception for just one reason, I have to view several seasons."

Details of further investigation of brand owner's impact will be discussed in Section 6.9 and Section 6.10 and is therefore not further discussed here.

As mentioned above, not all balanced modes are good for a brand, and results are re-grouped into positive balanced modes (+ + +, + - -), negative balanced mode (- - +, - + -), positive imbalanced mode (+ - +, + + -) and negative imbalanced mode (- + +, - - -). As shown in Table 6.56, over 25% of the consumers changed their perceptions of the brand they originally disliked from negative balanced mode (- - +) to triple positive perfect balance mode (+ + +) when using arbitrary and all conditions midpoints to determine the sign. Over 45% remained holding a negative balanced (- - +) perception. In addition, the number of triple negative mode (- - -) increases the occurrence.

Table 6.56 Change in consumers' perceptions of originally disliked brand after positive news of the brand owner with arbitrary and all conditions midpoints (3.5 and 3.53)

		Balanced modes			Imbalanced modes	
		Originally disliked brand	After positive news		Originally disliked brand	After positive news
+	+++	1 ↑ (2%)	14 (27.5%)	+ - +	1 (2%)	1 (2%)
	+- -	0 ↑	1 (2%)	++ -	0	0
-	- - +	41 ↓ (82%)	24 (48%)	- + +	1 ↑ (2%)	2 (4%)
	- + -	1 (2%)	1 (2%)	- - -	5 ↑ (10%)	7 (14%)

When using the overall means midpoint 3.90 to code consumers' perceptions of liked and disliked (Table 6.57), for the brand the consumers originally disliked, 20% of the consumers changed from negative balanced mode (- - +) to triple positive (+ + +) mode. Around 40% of the consumers remained holding a negative balanced (- - +) perception. In addition, a significant increase in occurrence of the triple negative (- - -) mode can be seen.

Table 6.57 Change in consumers' perception of originally disliked brand after positive experimental stimuli with 3.90 overall means midpoint

		Balanced modes			Imbalanced modes	
		Originally disliked brand	After positive news		Originally disliked brand	After positive news
+	+++	0 ↑	10 (20%)	+ - +	0	1 (2%)
	+ - -	0	0	++ -	0	0
-	- - +	38 ↓ (76%)	20 (40%)	- + +	0	0
	- + -	1 (2%)	1 (2%)	- - -	11 ↑ (22%)	18 (36%)

6.8 Influence of Personality on Brand Owner-Consumer-Brand Relationship

As mentioned in Chapter 3, previous studies show that the brand owner is one of the components of brand image and that the CEO will affect brand personality. In this section, survey results for the effects of brand owner personality and personality of the brand owner-consumer-brand relationship are discussed.

Hypothesis Five

H5a₁: Perceived personality of the brand owner is associated with the perceived personality of the brand.

This hypothesis can be tested by two methods. One is to use the Pearson correlation and the other is to use the balanced results. For the Pearson correlation, the overall correlation coefficient between the perceived personality of brand and that of the brand owner of the 51 cases (each with 18 attributes) is 0.564 at 0.01 two tail significant level (Table 6.58). This shows there is an association (over 31%) between the perceived personality of the brand owner and that of the brand. As a result, research Hypothesis 5, which stated that the perceived personality of the brand owner is associated with the perceived personality of the brand, is supported.

Table 6.58 Results of correlations between consumers' perceived liked brand's brand personality and that of the brand owner

		Brand personality	Brand owner personality
Brand personality	Pearson Correlation	1	.564**
	Sig. (2-tailed)	.	.000
	N	51	51
Brand owner personality	Pearson Correlation	.564**	1
	Sig. (2-tailed)	.000	.
	N	51	51

** Correlation is significant at the 0.01 level (2-tailed).

When using the balanced results, balance modes with the perception that the personality of brand owner similar to that of the brand are selected. As positions in the balance mode: +, +, + correspond to self-perceived personality, perceived personality of the brand and perceived personality of the brand owner, the total number of triads in balance modes (+ + +), (+ - -), (- + +), and (- - -) are added together. As shown in Table 6.59 (balance results with 3.5 as midpoint), there are 41 cases (over 80%) showing the perceived personality of the brand owner is similar to that of the brand, and the Z score is 4.36, which is above the required 1.64. This shows the result is statistically significant, so the null hypothesis is rejected and the research Hypothesis 5a is supported.

Table 6.59 Balance results of consumers' perceived personality of brand owner similar to that of the brand using 3.5 as midpoint

Balance modes				F	Valid %	Overall %
Perceived brand personality similar to brand personality	+ + +	1	34	66.7	80.5%	
	+ - -	4	1	2.0		
	- + +	7	6	11.8		
	- - -	8	0	0		
Others	- - +	2	3	5.9	19.5%	
	- + -	3	1	2.0		
	+ + -	5	2	3.9		
	+ - +	6	4	7.8		
Z score				4.36		

Note: $Z^*_{0.05}, Z = 1.64$

Position in the balance mode: +, +, + correspond to self-perceived personality, perceived personality of brand and perceived personality of the brand owner

Hypothesis

H5b₁: When the perceived personality of the brand owner is similar to that of the brand, the brand owner reinforces the brand.

As shown in Table 6.60, over 65% of the respondents agreed with the statement 'this brand is reinforced by the designer as the perceived personality of the designer is similar to that of the brand'. The Z score is 2.66, which is above the required 1.64, meaning that the result is statistically significant. As a result, the null hypothesis is rejected and the research Hypothesis 5b: **when perceived personality of the brand owner is similar to that of the brand, the brand owner reinforces the brand**, is supported.

Table 6.60 Results of liked brand owner with statement:
'This brand is reinforced by the designer, as the perceived personality of the designer is similar to that of the brand'

Liked brand owner		F	Percent	Valid %	Overall %
Strongly disagree	1	3	5.9	5.9	31.4%
	2	2	3.9	3.9	
	3	11	21.6	21.6	
	4	13	25.5	25.5	68.6%
	5	17	33.3	33.3	
	6	5	9.8	9.8	
Z score					2.66

Note: $Z_{0.05}$, $Z = 1.64$

Hypothesis

H5c₁: When the consumer likes the brand, the perceived self-personality of the consumer is associated with the perceived personality of the brand.

This hypothesis has been tested using two methods, Pearson's correlation and using balance triads. For Pearson correlation, the overall correlation coefficient between consumers' self-perceived personality and that of their liked brand is 0.363 at 0.01 two tail significance level (Table 6.61). This shows there is little association (13.2%) between consumer's self-perceived personality and that of the brand. As a result, the null hypothesis 5c that there is no association is rejected.

Table 6.61 Results of correlations between consumers' self-perceived personality and that of the liked brand

		Self personality	Brand personality
Self personality	Pearson Correlation	1	.363**
	Sig. (2-tailed)	.	.009
	N	51	51
Brand personality	Pearson Correlation	.363**	1
	Sig. (2-tailed)	.009	.
	N	51	51

** Correlation is significant at the 0.01 level (2-tailed).

When using the balanced results, balance modes with perceived self-personality of the consumers similar to the perceived personality of the brand are selected. As position in the balance mode: +, +, + correspond to the self-perceived personality, the perceived personality of the brand and perceived personality of the brand owner, the total numbers of triads in balance modes (+ + +), (- - +), (+ + -), and (- - -) are added together.

As shown in Table 6.62 (using 3.5 or 3.53 as midpoint), there are 39 cases (over 76%) showing that the self-perceived personality of the consumers is similar to the perceived personality of the brand, and the Z score is 3.79, which is above the required 1.64. This shows the result is statistically significant, the null hypothesis is rejected and the research Hypothesis 5c is supported.

Table 6.62 Balance results of consumers' self-perceived personality similar to perceived personality of brand using 3.5 as midpoint

Balance modes				F	Valid %	Overall %	
Self-perceived personality similar to brand personality	+	+	+	1	34	66.7	76.5%
	-	-	+	2	3	5.9	
	+	+	-	5	2	3.9	
	-	-	-	8	0	0	
Others	-	+	-	3	1	2.0	23.5%
	+	-	-	4	1	2.0	
	+	-	+	6	4	7.8	
	-	+	+	7	6	11.8	
Z score				3.79			

Note: $Z_{0.05} = 1.64$

Position in the balance mode: +, +, + correspond to self-perceived personality, perceived personality of brand and perceived personality of the brand owner

Hypothesis

H5d₁: When the consumer likes the brand, the brand shows the consumers' own personality.

This hypothesis is tested with results to the statement: 'this brand shows my own personality'. As shown in Table 6.63, over 70% of the respondents agreed with this statement and the Z score is 3.5, which is above the required 1.64 meaning that the result is statistically significant. The null hypothesis is therefore rejected and the research hypothesis 5d that **when the consumer likes the brand, the brand shows the consumers' own personality** is supported.

Table 6.63 Results of liked brand with statement: 'This brand shows my own personality'

Liked brand		F	Valid %	Overall %
Strongly disagree	1	1	2.0	25.5%
	2	0	0	
	3	12	23.5	
Strongly agree	4	13	25.5	74.5%
	5	21	41.2	
	6	4	7.8	
Z score		3.5		

Note: $Z^*_{0.05}, Z = 1.64$

Hypothesis

H6a₁: In the adapted perceived personality O-C-B relation, there are more balanced triads than imbalanced triads.

As shown in Table 6.64 (balance results using arbitrary 3.5 or all conditions mean 3.53 as midpoints), 76.5% of the triads are balanced, of which 66.7% are in perfectly positive balance mode, meaning all three are plus signs. The Z score is 3.79, which is above the required 1.64, meaning the result is statistically significant. As a result, the null hypothesis is rejected and research hypothesis 1b that 50% or more of consumers' perceived self-personality, brand personality and brand owner's personality should be a balanced triad is therefore supported.

Table 6.64 Balance results of consumers' self-perceived personality, perceived personality of brand and that of the brand owner using 3.5 as midpoint

Balance modes			F	Valid %	Overall %
Balanced	+++	1	34	66.7	76.5%
	--+	2	3	5.9	
	-+-	3	1	2.0	
	+--	4	1	2.0	
Imbalanced	++-	5	2	3.9	23.5%
	+ - +	6	4	7.8	
	- + +	7	6	11.8	
	- - -	8	0	0	
Z score			3.79		

Note: $Z_{0.05}^* = 1.64$

Position in the balance mode: +, +, + correspond to self-perceived personality, perceived personality of brand and perceived personality of the brand owner

Hypothesis

H6b₁: In the consumer's personality abstract structure, there should be more balanced triads than imbalanced triads.

As shown in Figure 3.7 in Chapter 3 and discussed in Chapter 4, the total number of triads of the consumer's personality abstract structure is the total number of triads of consumer-brand-brand owner (CBO) triangle, consumer-self-brand owner (CSO) triangle, consumer-self-brand (CSB) triangle, and self-brand owner-brand (SOB) triangles.

In the personality abstract structure CSOB, there are 42 balanced triads (82.4%) in the CBO triangle as shown in Table 6.65. In Table 6.66, there are 35 balanced triads (68.6%) in the CSO triangle of the CSOB structure. For the CSB triangle of the CSOB structure, there are 39 balanced triads (76.5%) as shown in Table 6.67. For the SOB triangle of the personality abstract structure CSOB, there are 26 balanced triads (51%) as shown in Table 6.68.

Summarizing Tables 6.65 to 6.68, the total number of balanced triads of the consumer's personality abstract structure is 142 (42 + 35 + 39 + 26), meaning over 69% of triads in these triangles is balanced. The Z score is 5.6, which is above 1.64. So the statistical null hypothesis that there is no difference between the number of triads in balanced and imbalanced modes is rejected. The result

is statistically significant and is above the required Z score, therefore, the research hypothesis 6a that **there are more balanced triads than imbalanced triads in the consumers' personality abstract structure** is supported.

Table 6.65 Balance results of CBO triangle of the personality abstract structure CSOB

Balance mode			F	Valid %	Overall %
Balanced	+++	1	41	80.4	82.4 %
	- - +	2	1	2.0	
	- + -	3	0	0	
	+ - -	4	0	0	
Imbalanced	+ + -	5	0	0	17.6 %
	+ - +	6	3	5.9	
	- + +	7	6	11.8	
	- - -	8	0	0	
Z scores			4.63		

Note: $Z_{0.05}^* = 1.64$

Position in the balance mode: +, +, + correspond to brand personality, owner personality and owner-brand relationship.

Table 6.66 Balance results of CSO triangle of the personality abstract structure CSOB

Balance mode					F	Valid %	Overall %
Balanced	+++	1	28	54.9	68.6%		
	- - +	2	2	3.9			
	- + -	3	2	3.9			
	+ - -	4	3	5.9			
Imbalanced	+ + -	5	8	15.7	31.4%		
	+ - +	6	2	3.9			
	- + +	7	5	9.8			
	- - -	8	1	2.0			
Z scores			2.66				

Note: $Z_{0.05}^* = 1.64$

Position in the balance mode: +, +, + correspond to owner personality, statement of owner with similar personality, self-personality.

Table 6.67 Balance results of CSB triangle of the personality abstract structure CSOB

Balance mode			F	Valid %	Overall %
Balanced	+++	1	37	72.5	76.4 %
	- - +	2	0	0	
	- + -	3	0	0	
	+ - -	4	2	3.9	
Imbalanced	+ + -	5	7	13.7	23.6 %
	+ - +	6	1	2.0	
	- + +	7	3	5.9	
	- - -	8	1	2.0	
Z scores			3.79		

Note: $Z^*_{0.05}, Z = 1.64$

Position in the balance mode: +, +, + correspond to self-personality, brand personality, statement of brand showing own personality.

Table 6.68 Balance results of SOB triangle of the personality abstract structure CSOB

Balance mode			F	Valid %	Overall %
Balanced	+++	1	15	29.4	51 %
	- - +	2	11	21.6	
	- + -	3	0	0	
	+ - -	4	0	0	
Imbalanced	+ + -	5	0	0	49 %
	+ - +	6	2	3.9	
	- + +	7	23	45.1	
	- - -	8	0	0	
Z scores			0.14		

Note: $Z^*_{0.05}, Z = 1.64$

Position in the balance mode: +, +, + correspond to statement of owner having similar personality, statement of brand showing own personality, and owner-brand relationship.

6.9 Influence of Brand Owner's Action on Consumers' Perception of Original Liked Brand

As discussed in Chapter 4 on the subject of the discovery-oriented approach, consumers are concerned with the brand owner maintaining the standard of the brand, controlling the expansion of their business and making changes to the brand owner's character / identity. These issues were raised when questions were asked about consumers' perceptions of brands which they originally liked and the impact of each on the change in consumers' perception of both brand owner and brand were evaluated.

Results show that consumers are very concerned about the brand owner maintaining his standards, the impact mean score being 5.06, with over 80% of respondents having a score of 5 to 6 (Table 6.69). Rapid expansion of the business also has a strong impact on consumers' perception, with mean score of 4.91 and over 65% with score of 5 to 6 (Table 6.70). The brand owner changing the character /identity also has a strong impact on consumers' perception with mean score of 4.77 and over 65% with score of 5 to 6 (Table 6.71). However, the impact of the brand owner doing something not ethical is different, the mean score being only 3.94, and 35% giving a score less than 3 (Table 6.72).

Table 6.69 Results of liked brand with negative news: 'Favourite designer / creative director cannot maintain previous level of standard'

Impact level		F	Valid %	Overall %
No impact	1	1	2.0	7.8%
	2	2	3.9	
	3	1	2.0	
Extremely high impact	4	4	7.8	92.2%
	5	24	47.1	
	6	19	37.3	
Z score		6.03		

Note: $Z_{0.05}^* = 1.64$

Table 6.70 Results of liked brand with negative news: 'Favourite designer / creative director has expanded too loosely the business'

Impact level		F	Valid %	Overall %
No Impact	1	0	0	9.8%
	2	2	3.9	
	3	3	5.9	
Extremely high impact	4	12	23.5	90.2%
	5	18	35.3	
	6	16	31.4	
Z score		5.74		

Note: $Z^*_{0.05}, Z = 1.64$

Table 6.71 Results of liked brand with negative news: 'Favourite designer / creative director lost his / her own character / style / identity'

Impact level		F	Valid %	Overall %
No Impact	1	1	2.0	11.8%
	2	1	2.0	
	3	4	7.8	
Extremely high impact	4	10	19.6	88.2%
	5	21	41.2	
	6	14	27.5	
Z score		5.46		

Note: $Z^*_{0.05}, Z = 1.64$

Table 6.72 Results of liked brand with negative news: 'Favourite designer / creative director has committed something unethical'

Impact level		F	Valid %	Overall %
No Impact	1	6	11.8	35.3%
	2	3	5.9	
	3	9	17.6	
Extremely high impact	4	9	17.6	64.7%
	5	15	29.4	
	6	9	17.6	
Z score		2.1		

Note: $Z^*_{0.05}, Z = 1.64$

6.10 Influence of Brand Owners' Action on Original Disliked Brand

For the originally disliked brand, respondents' responses to positive news that the brand owner had created a very special collection indicated that this did not have a great impact on their perception. This is revealed by the comments generated by the respondents during the interviews, as well as results indicated in Table 6.73, which shows that over 40% of the respondents still did not like the brand, nor the brand owner, after having received positive news.

Table 6.73 Results of change in consumers' perception of originally disliked brand when brand owner created a very special collection

Balance Modes			Perception of Originally disliked brand			Perception of disliked brand after positive news of brand owner		
			F	Valid %	Overall %	F	Valid %	Overall %
Balanced	+++	1.00	1	2	84%	12	24	78%
	- - +	2.00	40	80		24	48	
	- + -	3.00	1	2		2	4	
	+ - -	4.00	0	0		1	2	
Imbalanced	+ + -	5.00	0	0	16%	0	0	22%
	+ - +	6.00	0	0		0	0	
	- + +	7.00	0	0		0	0	
	- - -	8.00	8	16		11	22	
Z score			4.86			4.00		

Comments from respondents that are still having negative responses are:

"Only one season, I will not change the perception so easily."

"If I do not like the designer's style, I am not going to like his line even though it is better."

"When I do not like the designer's style, I am not going to like his collection even though it is better."

"This is the designer that I do not like. No matter how much or how good it changed, it will still be the style that I do not like. Otherwise, the designer is changed for the brand. It is another designer."

"I will not change the perception for just one season, I have to view several seasons."

"It is difficult to change as this is because of the style of the person."

"When changed to better, this may not be his contribution, may be other people's effort."

6.11 Consumers' Characteristics

In this section, demographic characteristics, consumers' fashion proneness level, fashion consciousness level, self-monitoring level, and hedonic shopping level are discussed.

6.11.1 Fashion proneness and fashion consciousness level

Respondents' fashion proneness levels were measured by those validated fashion proneness statements using a six-point Likert scale, with 1 being strongly disagree and 6 being strongly agree. The results are shown in Table 6.74. The responses are skewed towards the agreed side except in the case of the statement 'when I must choose between the two, I usually dress for fashion, not comfort' with the mean being 2.80 and median 3, and the statement 'I like to think I'm trendy' with a mean of 3.47 and median of 4. The overall fashion proneness level is with mean of 4.03 and median of 4.13. For the responses to the extra statement, 'I am a fashion conscious person', the mean is 4.33 and median is 4.00.

Two methods have been used to divide consumers' fashion proneness levels into groups. The first method is using the mean (Table 6.74) as the midpoint. Low fashion proneness level consumers are those with scores below the value of 4.07; whereas high fashion proneness level consumers are those with scores above 4.07. The second method is to divide consumers' fashion proneness levels into three equal parts (Table 6.74), namely, 33.33 percentile, median, 66.67 percentile. Low fashion proneness level consumers are those having scores below or equal to the value of the 33.33 percentile, which is 4.00; whereas high fashion proneness level consumers are those having scores above or equal to the value of the 66.67 percentile, which is 4.60.

Table 6.74 Results of Respondents' Fashion Proneness Levels

Fashion proneness scale statements	Mean	33.33 percentile	Median	66.67 percentile
I usually have one or more outfits of the very latest trends.	4.22	4.00	5.00	5.00
An important part of my life and activities is dressing smartly.	4.78	4.00	5.00	5.00
I like to shop for fashion.	4.49	4.00	5.00	5.00
It is important to me that my clothes be of the latest trends.	3.65	3.32	4.00	4.00
A person should try to dress in style.	4.80	4.00	5.00	5.00
For my fashion needs, I am increasingly shopping at boutiques or fashion specialty stores rather than department stores.	4.41	4.00	5.00	5.00
When I must choose between the two, I usually dress for fashion, not comfort.	2.80	2.00	3.00	3.00
I like to think I'm trendy.	3.47	3.00	3.00	4.00
Overall	4.07	4.00	4.13	4.60
Extra statement				
I am a fashion conscious person.	4.33	4.00	4.00	5.00

6.11.2 Hedonic and utilitarian levels

Respondents' hedonic and utilitarian level were measured by the modified and validated statements in Chapter 5 using a six-point Likert scale with 1 being strongly disagree and 6 being strongly agree. The results are shown in Table 6.75. Responses to hedonic statements tend to be towards the middle except in the case of the statement 'I enjoy seeing exciting new products' which has a mean of 4.96 and 33.33% for which the median is 5.00. The overall average hedonic shopping level of respondents has a mean of 3.88 and a median of 4.00.

Responses to utilitarian statements are towards the disagree side, and original responses to the statement 'I will be disappointed if I have to go to another store(s) to complete my shopping trip' are shown in Table 6.75. The mean result is 2.49 with a median of 2.00, and this shows that respondents will not be disappointed if they have to go to another store(s) to complete the shopping trip. However, since this statement has to be reversely scored, it achieves a mean of 4.51 and a median of 5.00 afterwards. The overall averaged utilitarian shopping level has a mean of 3.61 and median of 3.67.

Consumers' hedonic shopping levels can be divided into two equal parts using the mean as the separation point. Using this method, low hedonic shopping level consumers are those having scores below 3.88 whereas high hedonic shopping level consumers are those having scores above 3.88 using this method. Another method is to divide consumers' hedonic shopping levels into three equal parts (Table 6.75), namely, 33.33 percentile, median, 66.67 percentile. Low hedonic shopping level consumers are those having scores below or equal to the value of the 33.33 percentile, which is 3.33; whereas, high hedonic shopping level consumers are those having scores above or equal to the 66.67 percentile value, which is 4.00 with this method.

These results are based on the hedonic shopping scale. However, an extra statement 'I am a hedonic shopper' was included in the questionnaire. On the basis of the results from these statements, high hedonic shoppers are those with scores greater than 3.75 and low hedonic shoppers those having scores smaller

than 3.75 using the mean (the first method). For the second method, high hedonic shoppers are those with scores greater than or equal to 5.00 and low hedonic shoppers those with scores smaller than or equal to 3.00.

Table 6.75 Results of Respondents' Hedonic and Utilitarian Shopping Levels

Hedonic and utilitarian shopping scale statements	Mean	33.33 percentile	Median	66.67 percentile
Hedonic statements:				
While shopping, I am able to forget my problems.	3.51	3.00	3.00	4.63
While shopping, I feel a sense of excitement.	3.90	4.00	4.00	4.63
I enjoy shopping for its own sake, not just for the items I may have bought.	3.39	3.00	3.00	4.00
During shopping trips, I feel the excitement of "hunt".	3.71	3.00	4.00	5.00
I enjoy seeing exciting new products.	4.96	5.00	5.00	6.00
Compared to other things I could have done, the time spent shopping is truly enjoyable.	3.94	4.00	4.00	5.00
I continue to shop not because I have to but because I love to.	3.80	3.00	4.00	5.00
Overall averaged hedonic	3.88	3.57	4.00	4.42
Utilitarian statements:				
I usually find just what I want to buy on a shopping trip.	3.29	3.00	3.00	4.00
While shopping, I find just the item(s) I am looking for.	3.04	2.00	3.00	3.63
I will be disappointed if I have to go to another store(s) to complete my shopping trip. **	2.49	2.00	2.00	3.00
Overall averaged utilitarian (with reverse scoring)	3.61	3.33	3.67	4.00
Extra statement				
I am a hedonic shopper.	3.75	3.00	4.00	5.00

6.11.3 Self-monitoring level

The respondent's self-monitoring level was measured using Snyder's self-monitoring scale with a six-point Likert scale, with 1 being strongly disagree and 6 being strongly agree. The results are shown in Table 6.76. The responses are skewed towards the agree side except in the case of the statement "I have trouble changing my behavior to meet the requirements of any situation I find myself in" with mean score of 2.82 and median as 3.00. The overall self-monitoring level of respondents has 3.88 as the mean and 3.92 as the median.

Consumers' self-monitoring levels are divided into three equal parts (Table 6.76), namely, 33.33 percentile, median, 66.67 percentile. Low self-monitors are those having scores below or equal to the value of the 33.33 percentile, which is 3.69 in this research. High self-monitors are those having scores above or equal to the value of the 66.67 percentile, which is 4.07 in this research.

Table 6.76 Results of respondents' self-monitoring levels

Self-monitoring Scale Statements	Mean	33.33 percentile	Median	66.67 percentile
In social situations I have the ability to alter my behavior if I feel that something else is called for.	3.98	3.00	4.00	5.00
I am often able to read people's true emotions correctly through their eyes.	4.12	4.00	4.00	5.00
I have the ability to control the way I come across to people, depending on the impression I wish to give them.	3.96	4.00	4.00	4.00
In conversations I am sensitive to even the slightest change in the facial expression of the person I am conversing with.	4.33	4.00	4.00	5.00
My powers of intuition are quite good when it comes to understanding others' emotions and motives.	4.39	4.00	4.00	5.00
I can usually tell when others consider a joke to be in bad taste, even though they may laugh convincingly.	4.04	4.00	4.00	5.00
When I feel that the image I am portraying isn't working, I can readily change it to something that does.	3.65	3.00	4.00	4.00
I can usually tell when I've said something inappropriate by reading it in the listener's eyes.	4.29	4.00	4.00	5.00
I have trouble changing my behavior to meet the requirements of any situation I find myself in.	2.82	2.00	3.00	3.00
I have found that I can adjust my behavior to meet the requirements of any situation I find myself in.	3.75	3.00	4.00	4.00
If someone is lying to me I usually know it at once from that person's manner of expression.	3.75	3.00	4.00	4.00
Even when it might be to my advantage, I have difficulty putting up a good front.	3.25	3.00	3.00	4.00
Once I know what the situation calls for, it's easy for me to regulate my actions accordingly.	4.10	4.00	4.00	4.00
Overall	3.88	3.69	3.92	4.07

6.11.4 Demographic characteristics

Overall demographic characteristics of the respondents are shown clearly in Table 6.77 and are self-explanatory. Although the snow-ball method was used to recruit respondents, the age distribution is quite even with more respondents in the first three age categories. Distribution of respondents' sex and marital status are also satisfactory.

Table 6.77 Overall demographic characteristics of the respondents

Demographic characteristics		F
Age	25-30	13
	31-35	11
	36-40	15
	41-45	6
	46 & above	6
Sex	Male	18
	Female	33
Marital status	Single	30
	Married	21
Profession	1 art related	7
	2 business related	26
	3 bank related	6
	4 engineering related	1
	5 medical related	2
	6 house wife	1
	7 advertising related	7
	8 law related	1

6.12 Impact of Consumer's Characteristics on Consumers' Perception of Brand Owner

In this section results for the impact of consumers' fashion proneness level, self-monitoring level and hedonic utilitarian levels are presented.

6.12.1 Consumers' fashion proneness level

Hypothesis Seven

H7a₁: High fashion proneness consumers are more sensitive to the brand owner than low fashion proneness consumers.

In this research the impact of brand owner on consumers' perception of the brand is illustrated in the dynamic part of the brand owner-consumer-brand relationships, as well as in the consumers' perceptions of different performances of brand owner.

In this section, the influence of the consumers' fashion proneness level on their perception of the brand owner is investigated by comparing the results of high and low fashion proneness level consumers with those for their sensitivity to the brand owner.

There are two methods to define high and low fashion proneness level consumers. The first method is using mean (Table 6.78) as the midpoint. Low fashion proneness level consumers are those with scores below the value of 4.07 whereas high fashion proneness level consumers are those with scores above 4.07.

The second method is percentiles (Table 6.82). Low fashion proneness level consumers are those with scores below or equal to the value of the 33.33 percentile, which is 4.00, whereas high fashion proneness level consumers are those having scores above or equal to the value of the 66.67 percentile, which is 4.60.

The sensitivity of consumers to the brand owner was measured by means of three comparisons concerning the change in balanced modes after the introduction of contrasting news concerning the brand owner as discussed in Section 5.5 and repeated below, as well as respondents' opinions concerning the impact level of brand owners' changing behaviour.

Comparison One (C1) compares the number of times consumers having perfect balance 1 (+ + +) in the case of the Originally Liked Brand with the number that changed to negative balance 2 (- - +) after the introduction of negative news that the originally liked brand owner had changed something.

Comparison Two (C2) compares the number of times consumers having perfect balance 1 (+ + +) in the case of the Originally Liked Brand changed to negative balance 2 (- - +) after the introduction of negative non-ethical news committed by the originally liked brand owner.

Comparison Three (C3) compares the number of times consumers having negative balance 2 (- - +) in the case of the Originally Disliked Brand changed to positive balance 1 (+ + +) when the originally disliked brand owner had subsequently developed a very good and appropriate collection.

Comparisons of consumers' sensitivity to the changed behaviour of the brand owner are shown in Tables 6.78 and 6.79 with change in balance modes, using means to define high and low fashion proneness level consumers. High fashion prone consumers are similar to low fashion prone consumers, with the percentages in these two categories being very close.

Table 6.78 Influence of consumers' fashion proneness level on sensitivity of brand owner changed behaviour with change in balance modes (using mean to separate into two groups)

	High fashion prone consumers (29 cases) > 4.07		Low fashion prone consumers (22 cases) <4.07	
	F	%	F	%
Comparison 1 Original liked changed from +++ to --+ with negative news	23	79.3	18	81.8
Comparison 2 Original liked changed from +++ to --+ with non-ethical news of brand owner	11	37.9	9	40.9
Comparison 3 Disliked brand changed from --+ to +++ with positive news	5	17.2	4	18.2

Chi-square χ^2 relationship analysis was used to test whether high fashion prone consumers were different from the low fashion prone consumers. The contingency table approach was employed.

The chi-square was computed. From the chi-squared distribution table, it can be found that $\chi^2_{.05}$ with 1 d.f. is 3.84. The sample values for all χ^2 as shown in Table 6.79 are all below 3.84. We therefore cannot reject the null hypothesis that there is no difference in the sensitivity between high and low fashion proneness consumers to brand owner's changed behaviour.

Table 6.79 Contingency table of high and low fashion proneness consumers' sensitivity of brand owner changed behaviour with change in balance modes (using mean to separate into two groups)

Comparison 1 : original liked changed from +++ to --+ with negative news		Other modes	Row total
High fashion proneness	23 (23.3)	6 (5.68)	29
Low fashion proneness	18 (17.69)	4 (4.3)	22
Column total	41	10	51
Chi-square χ^2		0.004 + 0.02 + 0.006 + 0.02 = 0.05	
Comparison 2 : Original liked changed from +++ to --+ with non-ethical news of brand owner		Other modes	Row total
High fashion proneness	11 (11.37)	18 (17.63)	29
Low fashion proneness	9 (8.63)	13 (13.37)	22
Column total	20	31	51
Chi-square χ^2		0.012 + 0.08 + 0.016 + 0.01 = 0.118	
Comparison 3: Disliked brand changed from --+ to +++ with positive news		Other modes	Row total
High fashion proneness	5(5.12)	24 (23.88)	29
Low fashion proneness	4 (3.88)	18 (18.12)	22
Column total	9	42	51
Chi-square χ^2		0.003 + 0.0006 + 0.004 + 0.0007 = 0.0083	

Note: () indicates expected frequency E for a cell = Row total X column total / grand total

$\chi^2_{.05} = 3.84$

The group of consumers in which the brand owner's changing behaviour had a high impact on their perceptions of the brand was examined further using means to define high and low fashion proneness level consumers. The results of this comparison are shown in Tables 6.80 and 6.81. . Consumers having perceived levels of impact with scores of 4 or above are considered as having high impact levels of behaviour change and are included into these comparison in Tables 6.80 and 6.81. High fashion prone consumers are similar to low fashion prone consumers, with the percentages in these two categories being very close.

Table 6.80 Influence of consumers' fashion proneness level on consumers' perceived high impact level of brand consumers' changing behaviour

	High fashion proneness consumers (29 cases) > 4.07		Low fashion proneness consumers (22 cases) <4.07	
	F	%	F	%
Impact of brand owner losing character	27	93.1	19	86.4
Brand owner expanded the business too loosely	27	93.1	19	86.4
Brand owner cannot maintain previous standard	28	96.6	19	86.4
Brand owner committed something not ethical	19	66.5	14	63.6

Chi-square χ^2 relationship analysis was used to test if the high fashion prone consumers were different from the low fashion prone consumers. The contingency table approach was employed.

The chi-square was computed. From the chi-square distribution table, it can be seen that $\chi^2_{.05}$ with 1 d.f. is 3.84. The sample values for all χ^2 , as shown in Table 6.81, are all below 3.84. We therefore cannot reject the null hypothesis that there is no difference in the sensitivity between high and low fashion proneness consumers to brand owner's changed behaviour.

Table 6.81 Contingency table of high and low fashion prone consumers' sensitivity to brand owner changed behaviour (using mean to separate into two groups)

Impact of brand owner losing character		Other modes	Row total
High fashion proneness	27 (26.16)	2 (2.84)	29
Low fashion proneness	19 (19.84)	3 (2.16)	22
Column total	46	5	51
Chi-square χ^2		0.027 + 0.25 + 0.036 + 0.33 = 0.643	
Brand owner expanded the business too loosely			
High fashion proneness	27 (26.16)	2 (2.84)	29
Low fashion proneness	19 (19.84)	3 (2.16)	22
Column total	46	5	51
Chi-square χ^2		0.643	
Brand owner cannot maintain previous standard			
High fashion proneness	28 (26.73)	1 (2.28)	29
Low fashion proneness	19 (20.28)	3 (1.73)	22
Column total	47	4	51
Chi-square χ^2		0.06 + 0.72 + 0.08 + 0.93 = 1.79	
Brand owner committed something not ethical			
High fashion proneness	19 (18.77)	10 (10.24)	29
Low fashion proneness	14 (14.24)	8 (7.77)	22
Column total	33	18	51
Chi-square χ^2		0.003 + 0.006 + 0.004 + 0.006 = 0.019	

Note: () indicates expected frequency E for a cell = Row total X column total / grand total

$\chi^2_{.05} = 3$

In Tables 6.82 and 6.83 high fashion proneness refers to the 66.6th percentile and above while low fashion proneness refers to those at or below 33.3rd percentile. The results show that high fashion prone and low fashion prone consumers are very similar and the percentages are very close in these two categories.

Table 6.82 Influence of consumers' fashion proneness level to sensitivity of brand owner changed behaviour (using 66.6 percentile as high and 33.33 percentile as low fashion proneness consumers)

	High fashion proneness consumers (17 cases) ≥ 4.6		Low fashion proneness consumers (16 cases) < 4.0	
	F	%	F	%
Comparison 1 Original liked changed from +++ to --+ with negative news	14	82	14	88
Comparison 2 Original liked changed from +++ to --+ with non-ethical news of brand owner	6	35	7	44
Comparison 3 Disliked brand changed from --+ to +++ with positive news	3	18	3	19
Brand owner losing character	15	88	14	88
Brand owner expanded the business too loosely	16	94	14	88
Brand owner cannot maintain previous standard	17	100	16	100
Brand owner committed something not ethical	10	59	9	56

Chi-square χ^2 relationship analysis was used to test if high fashion proneness consumers were different from that of the low fashion proneness consumers. The contingency table approach was employed. From the chi-square distribution table, $\chi^2_{.05}$ with 1 d.f. is 3.84. The sample values for all χ^2 as shown in Table 6.83 are all below 3.84. We therefore cannot reject the null hypothesis that there is no difference between high and low fashion proneness consumers in their sensitivity to brand owner's changed behaviour. Comparison of the two methods defining high and low fashion proneness level consumers show that they are similar (Tables 6.78 to 6.83).

Table 6.83 Contingency table of high and low fashion proneness consumers (using 66.6th percentile as high and 33.33rd percentile as low fashion proneness consumers)

Comparison 1 : original liked changed from +++ to --+ with negative news		Other modes	Row total
High fashion proneness	14 (14.42)	3 (2.58)	17
Low fashion proneness	14 (13.58)	2 (2.42)	16
Column total	28	5	33
Chi-square χ^2		0.012 + 0.068 + 0.013 + 0.07 = 0.163	
Comparison 2 : Original liked changed from +++ to --+ with non-ethical news of brand owner		Other modes	Row total
High fashion proneness	6 (6.7)	11(10.3)	17
Low fashion proneness	7(6.3)	9(9.7)	16
Column total	13	20	33
Chi-square χ^2		0.073 + 0.048 + 0.078 + 0.05 = 0.249	
3)Comparison 3: Disliked brand changed from --+ to +++ with positive news		Other modes	Row total
High fashion proneness	3(3.19)	14(14.34)	17
Low fashion proneness	3(3)	13(13.5)	16
Column total	6	27	32
Chi-square χ^2		0.01 + 0.008 + 0.19 = 0.208	
Impact of brand owner losing character		high	low
High fashion proneness	15 (14.9)	2(2.1)	17
Low fashion proneness	14(14.06)	2(1.94)	16
Column total	29	4	33
Chi-square χ^2		= 0.0006 + 0.005 + 0.00026 + 0.002 = 0.0079	
Brand owner expanded the business too loosely		high	low
High fashion proneness	16 (15.45)	1(1.54)	17
Low fashion proneness	14(14.55)	2(1.45)	16
Column total	30	3	33
Chi-square χ^2		= 0.02 + 0.2 + 0.02 + 0.21 = 0.45	
Brand owner cannot maintain previous standard		high	low
High fashion proneness	17 (17)	0	17
Low fashion proneness	16 (16)	0	16
Column total	33	0	33
Chi-square χ^2		= 0	
Brand owner committed something not ethical		high	low
High fashion proneness	10(9.79)	7(7.21)	17
Low fashion proneness	9(9.21)	7(6.79)	16
Column total	19	14	33
Chi-square χ^2		0.005 + 0.006 + 0.005 + 0.007 = 0.023	

Note: () indicates expected frequency E for a cell = Row total X column total / grand total

$\chi^2_{.05} = 3.84$

Table 6.84 Demographic characteristics of high and low fashion prone consumers (using mean to separate into two groups)

Demographic characteristics		High fashion proneness consumers (29 cases)	Low fashion proneness consumers (22 cases)
Age	25-30	10	3
	31-35	4	7
	36-40	9	6
	41-45	4	2
	46 & above	2	4
Sex	Male	7	11
	Female	22	11
Marital status	Single	16	14
	Married	13	8
Profession	1 art related	4	3
	2 business related	14	12
	3 bank related	3	3
	4 engineering related	0	1
	5 medical related	1	1
	6 house wife	1	0
	7 advertising related	5	2
	8 law related	1	0

Table 6.85 Demographic characteristics of high and low fashion prone consumers (using 66.6 percentile as high and 33.33 percentile as low fashion proneness consumers)

Demographic characteristics		High fashion proneness consumers (17 cases)	Low fashion proneness consumers (16 cases)
Age	25-30	4	2
	31-35	1	5
	36-40	6	6
	41-45	4	1
	46 & above	2	2
Sex	Male	4	9
	Female	13	7
Marital status	Single	9	10
	Married	8	6
Profession	1 art related	2	3
	2 business related	9	10
	3 bank related	1	2
	4 engineering related	0	1
	5 medical related	0	0
	6 house wife	0	0
	7 advertising related	5	0
	8 law related	0	0

Demographic characteristics of high and low fashion prone consumers, using mean and percentile as separation points, are shown in Tables 6.84 and 6.85. The two groups are quite similar.

In addition to fashion proneness level, consumers' responses to the statement "I am a fashion conscious person" were analyzed to determine their level of fashion consciousness. Similar methods were used, such as the three comparisons discussed in Chapter 4 and taking consumers' perceived level of impact with score 4 or above as having high impact level. Subjects at or above the 66.6th percentile were taken as high fashion conscious consumers and those at or below the 33.3rd percentile were taken as low fashion consciousness consumers. Tables 6.86 and 6.87 show their responses.

Table 6.86 Influence of consumers' fashion consciousness to sensitivity of originally liked brand owner changed behaviour (statement using 66.6 percentile as high and 33.3 percentile as low).

	High fashion conscious consumers (25 cases) ≥ 5.00		Low fashion conscious consumers (8 cases) < 4.00	
	F	%	F	%
Comparison 1 Original liked changed from +++ to --+ with negative news	19	76	6	75
Comparison 2 Original liked changed from +++ to --+ with non-ethical news of brand owner	9	36	2	25
Comparison 3 Disliked brand changed from --+ to +++ with positive news	4	16	1	13
Impact of Brand owner losing character	22	88	6	75
Brand owner expanded the business too loosely	21	84	8	100
Brand owner cannot maintain previous standard	23	92	8	100
Brand owner committed something not ethical	15	60	6	75

Table 6.87 Contingency table of high and low fashion consciousness consumers

Comparison 1 : original liked changed from +++ to --+ with negative news		Other modes	Row total	
High fashion consciousness	19(18.94)	6(6.06)	25	
Low fashion consciousness	6(6.06)	2(1.94)	8	
Column total	25	8	33	
Chi-square χ^2	0.00019 + 0.00059 + 0.00059 + 0.0019 = 0.00209			
Comparison 2 : Original liked changed from +++ to --+ with non-ethical news of brand owner		Other modes	Row total	
High fashion consciousness	9 (8.3)	16(16.7)	25	
Low fashion consciousness	2(2.7)	6(5.3)	8	
Column total	11	22	33	
Chi-square χ^2	0.059 + 0.0333 + 0.029 + 0.093 = 0.2143			
Comparison 3: Disliked brand changed from --+ to +++ with positive news		Other modes	Row total	
High fashion consciousness	4(3.79)	21(21.21)	25	
Low fashion consciousness	1(1.21)	7(6.79)	8	
Column total	5	28	33	
Chi-square χ^2	0.012 + 0.0021 + 0.036 + 0.0065 = 0.0566			
Impact of brand owner losing character		High	low	total
High fashion consciousness		22(21.21)	3(3.79)	25
Low fashion consciousness		6(6.79)	2(1.21)	8
Column total		28	5	33
Chi-square χ^2 = 0.0021 + 0.012 + 0.0065 + 0.036 = 0.0566				
Brand owner expanding the business too loosely		high	low	total
High fashion consciousness		21(21.97)	4(3.03)	25
Low fashion consciousness		8(7.03)	0(0.97)	8
Column total		29	4	33
Chi-square χ^2 = 0.043 + 0.0003 + 0.13 + 0.97 = 1.1433				
Brand owner cannot maintain previous standard		High	Low	total
High fashion consciousness		23(23.49)	2(1.52)	25
Low fashion consciousness		8(7.52)	0(0.49)	8
Column total		31	2	33
Chi-square χ^2 = 0.01 + 0.15 + 0.031 + 0.49 = 0.681				
Brand owner committed something not ethical		high	low	total
High fashion consciousness		15(15.91)	10(9.091)	25
Low fashion consciousness		6(5.091)	2(2.91)	8
Column total		21	12	33
Chi-square χ^2 = 0.052 + 0.091 + 0.163 + 0.285 = 0.591				

Note: () indicates expected frequency E for a cell = Row total X column total / grand total

 $\chi^2_{.05} = 3.84$

The results show (Table 6.86) that the percentages of high and low fashion conscious consumers are very similar. Chi-square χ^2 relationship analysis was used to test if the relative frequencies of high fashion consciousness consumers were different from those of the low fashion proneness consumers. The contingency table approach was employed. As shown in Table 6.87, $\chi^2_{.05} = 3.84$ and all of the sample values for χ^2 are below 3.84. We therefore cannot reject the null hypothesis that there is no difference in the sensitivity between high and low fashion conscious consumers to changes in brand owner's behaviour.

Demographic characteristics of high and low fashion conscious consumers are shown in Table 6.88.

Table 6.88 Demographic characteristics of high and low fashion conscious consumers

Demographic characteristics		High fashion conscious consumers (25 cases)	Low fashion conscious consumers (8 cases)
Age	25-30	5	1
	31-35	4	3
	36-40	10	2
	41-45	3	1
	46 & above	3	1
Sex	Male	7	3
	Female	18	5
Marital status	Single	13	4
	Married	12	4
Profession	1 art related	4	2
	2 business related	12	2
	3 bank related	3	2
	4 engineering related	1	0
	5 medical related	0	1
	6 house wife	0	1
	7 advertising related	4	0
	8 law related	1	0

6.12.2 Impact of consumers' self-monitoring level

Hypothesis

H7b₁: High self-monitors are more sensitive to the brand owner than low self-monitors.

Similar to the discussion provided in Section 6.12, the influence of the consumers' self-monitoring levels on their perceptions of the brand owner has been investigated by comparing the results of high and low self-monitoring level consumers with their sensitivity to the brand owner.

Low self-monitors are those with scores below or equal to the 33.33rd percentile, which is 3.69; while high self-monitors are those having scores above or equal to the 66.66th percentile, which is 4.07 in this research. The sensitivity of consumers to the brand owner was measured by the three comparisons discussed in Section 5.5 as well as the consumers' perception of different performance of brand owner having a score of 4 or above.

Table 6.89 Influence of consumers' self-monitoring level to sensitivity of original liked brand owner changed behaviour (statement using 66.6 percentile as high and 33.3 percentile as low)

	High self-monitors (18 cases) ≥4.07		Low self-monitors (14 cases) ≤3.69	
	F	%	F	%
Comparison 1 : Originally liked changed from +++ to --+ with negative news	16	89	12	86
Comparison 2 : Originally liked changed from +++ to --+ with non-ethical news of brand owner	8	44	7	50
Comparison 3 : Disliked brand changed from --+ to +++ with positive news	4	22	2	14
Impact of brand owner losing character	16	89	12	86
Brand owner expanding the business too loosely	18	100	12	86
Brand owner cannot maintain previous standard	17	94	12	86
Brand owner committed something not ethical	12	67	11	79

Table 6.90 Contingency table of high and low self-monitors (statement using 66.6 percentile as high and 33.3 percentile as low)

Comparison 1 : originally liked changed from +++ to --+ with negative news		Other modes	Row total	
High self-monitors	16(15.75)	2(2.25)	18	
Low self-monitors	12(12.25)	2(1.75)	14	
Column total	28	4	32	
Chi-square χ^2		0.004 + 0.028 + 0.005 + 0.036 = 0.073		
Comparison 2 : Originally liked changed from +++ to --+ with non-ethical news of brand owner		Other modes	Row total	
High self-monitors	8(8.44)	10(9.56)	18	
Low self-monitors	7(6.56)	7(7.44)	14	
Column total	15	17	32	
Chi-square χ^2		0.023 + 0.02 + 0.03 + 0.026 = 0.099		
Comparison 3: Disliked brand changed from - + to +++ with positive news		Other modes	Row total	
High self-monitors	4(3.375)	14(14.625)	18	
Low self-monitors	2(2.625)	12(11.375)	14	
Column total	6	26	32	
Chi-square χ^2		0.12 + 0.027 + 0.15 + 0.034 = 0.331		
Impact of brand owner losing character		High	low	total
High self-monitors		16(15.75)	2(2.25)	18
Low self-monitors		12(12.25)	2(1.75)	14
Column total		28	4	32
Chi-square χ^2		0.004 + 0.028 + 0.005 + 0.036 = 0.073		
Brand owner expanded the business too loosely		high	low	total
High self-monitors		18(16.875)	0(1.125)	18
Low self-monitors		12(13.125)	2(0.875)	14
Column total		30	2	32
Chi-square χ^2		0.075 + 1.125 + 0.096 + 1.45 = 2.75		
Brand owner cannot maintain previous standard		high	Low	total
High self-monitors		17(16.31)	1(1.69)	18
Low self-monitors		12(12.69)	2(1.31)	14
Column total		29	3	32
Chi-square χ^2		0.03 + 0.3 + 0.038 + 0.36 = 0.73		
Brand owner committed something not ethical		high	low	total
High self-monitors		12(12.94)	6(5.06)	18
Low self-monitors		11(10.06)	3(3.94)	14
Column total		23	9	32
Chi-square χ^2		0.068 + 0.175 + 0.088 + 0.224 = 0.555		

Note: () indicates expected frequency E for a cell = Row total X column total / grand total

$\chi^2_{.05} = 3.84$

Chi-square χ^2 relationship analysis was used to test if high self-monitors were different from that of the low fashion prone consumers. The contingency table approach was employed. From the chi-square distribution table, it is seen that $\chi^2_{.05}$ with 1 d.f. is 3.84. The sample values for all χ^2 as shown in Table 6.90 are all below 3.84. We therefore cannot reject the null hypothesis that there is no difference in the sensitivity between high and low self-monitors to brand owner's changed behaviour.

Table 6.91 Demographic characteristics of high and low self-monitors

Demographic characteristics		High self-monitors (18 cases)	Low self-monitors (14 cases)
Age	25-30	7	4
	31-35	3	4
	36-40	3	3
	41-45	3	1
	46 & above	2	2
Sex	Male	7	6
	Female	11	8
Marital status	Single	12	9
	Married	6	5
Profession	1 art related	2	2
	2 business related	10	6
	3 bank related	2	1
	4 engineering related	0	1
	5 medical related	0	1
	6 house wife	1	0
	7 advertising related	3	3
	8 law related	0	0

6.12.3 Impact of consumers' hedonic shopping level

Hypothesis

H7c: High hedonic shoppers are more influenced by brand owner than low hedonic shoppers.

The influence of consumers' hedonic shopping level on consumers' perception of the brand owner was investigated by comparing the results of high and low hedonic shopping level consumers (using both hedonic shopping scale Tables 6.92 and 6.93 and hedonic statement Tables 6.95 and 6.96) with their sensitivity to the brand owner, as discussed in Section 6.12 in the cases of fashion proneness and consciousness. Definitions of high and low hedonic shoppers were discussed in Section 6.11.3 using the 66.6th percentile as the cut-off point for high self-monitors and the 33.3rd percentile for low self-monitors. Sensitivity of consumers to the brand owner was measured by the three comparisons cited in Section 5.5 as well as the consumers' perceptions of the different levels of performance of the brand owner.

Table 6.92 Influence of consumers' hedonic level to sensitivity of brand owner changed behaviour (using hedonic shopping scale)

	High hedonic shoppers (19 cases) Average hedonic ≥ 4.42		Low hedonic shoppers (17 cases) Average hedonic < 3.57	
	F	%	F	%
Comparison 1 : Originally liked changed from +++ to --+ with negative news	16	84	13	76
Comparison 2 : Originally liked changed from +++ to --+ with non-ethical news of brand owner	5	26	8	47
Comparison 3 : Disliked brand changed from --+ to +++ with positive news	5	26	3	18
Impact of brand owner losing character	17	90	13	76
Brand owner expanded the business too loosely	16	84	15	88
Brand owner cannot maintain previous standard	18	95	15	88
Brand owner committed something not ethical	11	58	12	71

Chi-square χ^2 relationship analysis was used to test if high hedonic shoppers were different from low hedonic shoppers (using the hedonic scale to measure their hedonic levels). The contingency table approach was employed. From the chi-square distribution table, it is seen that $\chi^2_{.05}$ with 1 d.f. is 3.84. The sample values for all χ^2 as shown in Table 6.93 are all below 3.84. We therefore cannot reject the null hypothesis that there is no difference in the sensitivity between high and low hedonic shoppers to brand owner's changed behaviour.

Table 6.93 Contingency table of high and low hedonic shoppers (scale)
(statement using 66.6 percentile as high and 33.3 percentile as low)

Comparison 1 : Originally liked changed from +++ to --+ with negative news		Other modes	Row total	
High hedonic shopper	16(15.31)	3(3.69)	19	
Low hedonic shopper	13(13.69)	4(3.3)	17	
Column total	29	7	36	
Chi-square χ^2		0.031 + 0.129 + 0.035 + 0.148 = 0.343		
Comparison 2 : Originally liked changed from +++ to --+ with non-ethical news of brand owner		Other modes	Row total	
High hedonic shopper	5(6.86)	14(12.14)	19	
Low hedonic shopper	8(6.14)	9(10.86)	17	
Column total	13	23	36	
Chi-square χ^2		0.504 + 0.29 + 0.56 + 0.32 = 1.674		
Comparison 3: Disliked brand changed from - + to +++ with positive news		Other modes	Row total	
High hedonic shopper	5(4.22)	14(14.25)	19	
Low hedonic shopper	3(3.78)	13(12.75)	17	
Column total	8	27	36	
Chi-square χ^2		0.144 + 0.004 + 0.16 + 0.005 = 0.313		
Impact of brand owner losing character		high	low	total
High hedonic shopper		17(15.83)	2(3.69)	19
Low hedonic shopper		13(14.17)	5(3.31)	17
Column total		30	7	36
Chi-square χ^2		= 0.0865 + 0.77 + 0.097 + 0.863 = 1.82		
Brand owner expanded the business too loosely		high	low	total
High hedonic shopper		16(16.36)	3(2.64)	19
Low hedonic shopper		15(14.64)	2(2.36)	17
Column total		31	5	36
Chi-square χ^2		= 0.008 + 0.05 + 0.009 + 0.055 = 0.122		
Brand owner cannot maintain previous standard		high	low	total
High hedonic shopper		18(17.42)	1(1.58)	19
Low hedonic shopper		15(15.58)	2(1.42)	17
Column total		33	3	36
Chi-square χ^2		= 0.0193 + 0.022 + 0.22 + 0.24 = 0.5		
Brand owner committed something not ethical		high	low	total
High hedonic shopper		11(12.14)	8(6.86)	19
Low hedonic shopper		12(10.86)	5(6.14)	17
Column total		23	13	36
Chi-square χ^2		= 0.11 + 0.19 + 0.12 + 0.21 = 1.34		

Note: () indicates expected frequency E for a cell = Row total X column total / grand total

$\chi^2_{.05} = 3.84$

Table 6.94 Demographic characteristics of high and low hedonic shoppers (scale) (statement using 66.6 percentile as high and 33.3 percentile as low)

Demographic characteristics		High hedonic shopper (19 cases)	Low hedonic shopper (17 cases)
Age	25-30	4	6
	31-35	1	6
	36-40	7	3
	41-45	4	0
	46 & above	3	2
Sex	Male	6	6
	Female	13	11
Marital status	Single	8	11
	Married	11	6
Profession	1 art related	2	3
	2 business related	12	6
	3 bank related	1	4
	4 engineering related	1	0
	5 medical related	1	0
	6 house wife	0	1
	7 advertising related	2	2
	8 law related	0	1

Table 6.95 Hedonic shoppers' sensitivity to brand owner changed behaviour (using hedonic statement)

	High hedonic shoppers (19 cases) Hedonic statement ≥5.0		Low hedonic shoppers (21 cases) Hedonic statement <3.0	
	F	%	F	%
Comparison 1 : Originally liked changed from +++ to --+ with negative news	14	74	17	81
Comparison 2 : Originally liked changed from +++ to --+ with non-ethical news of brand owner	6	32	8	38
Comparison 3 : Disliked brand changed from --+ to +++ with positive news	2	11	3	14
Impact of brand owner losing character	17	90	17	81
Brand owner expanded the business too loosely	16	84	19	91
Brand owner cannot maintain previous standard	17	90	19	91
Brand owner committed something not ethical	16	84	14	67

Chi-square χ^2 relationship analysis was used to test if high hedonic shoppers were different from that of the low hedonic shoppers (using hedonic statement to measure their hedonic level). The contingency table approach was employed. From the chi-square distribution table $\chi^2_{.05}$ with 1 d.f. is 3.84. The sample values for all χ^2 as shown in Table 6.96 are all below 3.84. We therefore cannot reject the null hypothesis that there is no difference in the sensitivity between high and low hedonic shoppers to changes in brand owner's behaviour.

Table 6.96 Contingency table of high and low hedonic shoppers (hedonic statement) (statement using 66.6 percentile as high and 33.3 percentile as low)

Comparison 1 : Originally liked changed from +++ to --+ with negative news		Other modes	Row total
High hedonic shopper	14(14.725)	5(3.8)	19
Low hedonic shopper	17(16.275)	3(4.2)	21
Column total	31	8	40
Chi-square χ^2		0.036 + 0.032 + 0.38 + 0.34 = 0.788	
Comparison 2 : Originally liked changed from +++ to --+ with non-ethical news of brand owner		Other modes	Row total
High hedonic shopper	6(6.65)	13(12.35)	19
Low hedonic shopper	8(7.35)	13(13.65)	21
Column total	14	26	40
Chi-square χ^2		0.064 + 0.034 + 0.057 + 0.031 = 0.492	
Comparison 3: Disliked brand changed from - + to +++ with positive news		Other modes	Row total
High hedonic shopper	2(2.375)	17(16.625)	19
Low hedonic shopper	3(2.625)	18(18.375)	21
Column total	5	35	40
Chi-square χ^2		0.06 + 0.01 + 0.054 + 0.02 = 0.144	
Impact of brand owner losing character	High	low	total
High hedonic shopper	17(16.15)	2(2.85)	19
Low hedonic shopper	17(17.85)	4(3.15)	21
Column total	34	6	40
Chi-square χ^2 = 0.045 + 0.254 + 0.04 + 0.23 = 0.93			
Brand owner expanded the business too loosely	high	low	total
High hedonic shopper	16(16.625)	3(2.375)	19
Low hedonic shopper	19(18.375)	2(2.625)	21
Column total	35	5	40
Chi-square χ^2 = 0.023 + 0.164 + 0.021 + 0.15 = 0.358			
Brand owner cannot maintain previous standard	High	Low	total
High hedonic shopper	17(17.1)	2(1.9)	19
Low hedonic shopper	19(18.9)	2(2.1)	21
Column total	36	4	40
Chi-square χ^2 = 0.00058 + 0.0053 + 0.00053 + 0.0048 = 0.01121			
Brand owner committed something not ethical	high	low	total
High hedonic shopper	16(14.25)	3(4.75)	19
Low hedonic shopper	14(15.75)	7(5.25)	21
Column total	30	10	40
Chi-square χ^2 = 0.215 + 0.195 + 0.64 + 0.5 = 1.55			

Note: () indicates expected frequency E for a cell = Row total X column total / grand total

$\chi^2_{.05} = 3.84$

Table 6.97 Demographic characteristics of high and low hedonic shoppers (statement) (statement using 66.6 percentile as high and 33.3 percentile as low)

Demographic characteristics		High hedonic shopper (statement) (19 cases)	Low hedonic shopper (statement) (21 cases)
Age	25-30	5	6
	31-35	1	8
	36-40	7	4
	41-45	4	1
	46 & above	2	2
Sex	Male	6	8
	Female	13	13
Marital status	Single	10	15
	Married	9	6
Profession	1 art related	2	5
	2 business related	11	7
	3 bank related	1	4
	4 engineering related	1	0
	5 medical related	1	0
	6 house wife	0	1
	7 advertising related	3	3
	8 law related	0	1

6.13 Summary

Based on the survey results of consumers' perceptions of liked brand, the cognitive psychological Heider's Balance Theory has been found to be applicable in studying brand positioning and used as a base to develop the brand owner-consumer-brand relation model. Both the static and dynamic parts of the theory were tested and different hypotheses are supported with statistically significant results. As a result, both the static and dynamic parts of the model was developed.

The applicability of the developed Brand Owner-Consumer-Brand Relation Model was then tested using consumers' perception of disliked brand data and the model has generally been found to be applicable, with statistically significant results. Different methods have been used to test each hypothesis. It was found that some methods used for analyzing the liked brand are not applicable to the disliked brand situation. As a result, additional indirect methods have been used when analyzing the data and testing the hypotheses.

Hypothesis One H₁: In the brand owner-consumer-brand relationship, there are more balanced triads than imbalanced triads; is supported by both survey data of liked and disliked brands, as well as all the methods used to test this hypothesis.

Hypothesis Two Attitude influences the brand owner-consumer-brand relations is supported.

H2a₁: The sentiment perception of the brand owner is positively associated with the sentiment perception of the brand; is supported by all the methods used in the survey data of liked brands. However, for disliked brands, the direct method with statements was found to be inappropriate for analyzing surveyed data of disliked brands. The indirect method was used and the hypothesis is supported.

H2b₁: Consumers' attitude towards the brand is positively associated with consumers' perception of the values of and opinions associated with the brand; is supported by both surveyed data of liked and disliked brands.

H2c₁: Consumers' attitude towards the brand is associated with consumers' perception of the values and opinions held by the brand owner. Respondents' perceptions of the values and opinions associated with the liked brand owner depend on the types of values. The statement "I think we have similar taste", is supported by surveyed data of both liked and disliked brands. However, for the statements "I think we have similar lifestyle", "I think we have similar personalities", and "I think we have similar values and opinions", respondents' responses are associated negatively for the liked brands. In the case of the disliked brands, all respondents hold a negative attitude towards the values and opinions towards the brand owner and a negative attitude towards the brand.

Hypothesis Three Unit relation⁴ influences brand owner-consumer-brand relation is supported.

H3_{al}: The perception of the brand owner is associated with unit relation towards the brand; is supported by the survey data of the liked brands. However, the direct method with statement was found inappropriate for analyzing survey data about disliked brands as responses may have only referred to the fact that they disagree with the statement ‘they like the designer’.

H3_{bl}: The perception of the brand is associated with unit relation towards the brand owner; is supported by the survey data of the liked brands. However, results shown that taking photographs and getting autographs from the brand owner are not preferred by the majority of respondents. In addition, for disliked brands, the direct method with statement was found to be inappropriate for analyzing survey data about the disliked brands as responses may only refer to the fact that they disagree with the statement ‘I like the brand’.

H3_{cl}: Unit relation with the brand is positively associated with unit relation towards the brand owner; is not supported in the case of the liked brand, but is supported for that of the disliked brand.

⁴ Unit relation means entities belong together, such as ownership, proximity or potential for future contact.

Hypothesis Four When imbalance occurs, new balance triad will be restructured. This hypothesis is supported.

H4: If we destroy the balanced state, consumers will restructure new balanced triads. Out of the restructured triads, there are more balanced than imbalanced triads. This is supported by the survey data of both liked and disliked brands.

Hypothesis Five Perceived personality influences brand owner-consumer-brand relation

H5_{a1}: Perceived personality of the brand owner is associated with the perceived personality of the brand; was tested only on survey data of the liked brand and is supported.

H5_{b1}: When the perceived personality of the brand owner is similar to that of the brand, the brand owner reinforces the brand; was tested only on survey data of the liked brand and is supported.

H5_{c1}: When the consumer likes the brand, the perceived self-personality of the consumer is associated with the perceived personality of the brand; was tested only on survey data of the liked brand with different methods and is supported.

H5_{d1}: When the consumer likes the brand, the brand shows consumers' own personality; was tested only on survey data of liked brand and is supported.

Hypothesis Six Adapted balance model performs similar to original balance model

H6_{a1}: In the adapted perceived personality O-C-B relation, there are more balanced triads than imbalanced triads; was tested only on the survey data of the liked brand and is supported.

H6_{b1}: In the consumer's personality abstract structure, there should be more balanced triads than imbalanced triads; was tested only on the survey data of the liked brand and is supported.

Hypothesis Seven Consumer characteristics influence perception of brand owner

H7_{a1}: High fashion prone consumers are more sensitive to the brand owner than low fashion prone consumers; was tested on both liked and disliked brands, and the null hypothesis cannot be rejected.

H7_{b1}: High self-monitors are more sensitive to the brand owner than low self-monitors; was tested on both liked and disliked brands and the null hypothesis cannot be rejected.

H7_{c1}: High hedonic shoppers are more influenced by brand owner than low hedonic shoppers; was tested on both liked and disliked brands and different methods, one with the hedonic scale and another with statement. The results shown that the null hypothesis cannot be rejected using both methods.

In this Chapter the results of different methods of analysis have been shown. It was found that there are limitations in the analysis methods. In the next chapter the findings of this study are discussed in full detail with related theories. Implications for marketers are also provided.

Table 6.98 Summary of Hypotheses

N0.	Hypotheses	Supported (+), rejected (-), method not appropriate (n), not applicable (0)	
		Liked Brand	Disliked Brand
1	In the static brand owner-consumer-brand relation, there are more balanced triads than imbalanced triads.	+	+
2	Attitude influences the brand owner-consumer-brand relation		
2a	The sentiment perception of the brand owner is positively associated with the sentiment perception of the brand.	+	n/+
2b	Consumers' attitude towards the brand is positively associated with consumers' perception of the values of and opinions associated with the brand.	+	+
2c	Consumers' attitude towards the brand is associated with consumers' perception of the values and opinions held by the brand owner.	+	+
3	Unit relation influences brand owner-consumer-brand relation		
3a	The perception of the brand owner is associated with unit relation towards the brand.	+	n
3b	The perception of the brand is associated with unit relation towards the brand owner.	+	n
3c	Unit relation with the brand is positively associated with unit relation towards the brand owner.	+	+
4	When imbalance occurs, new balance triad will be restructured		
4	If we destroy the balanced state, consumers restructure new balanced triad. Out of the restructured triads, there are more balanced than imbalanced triads.	+	+
5	Perceived personality influences brand owner-consumer-brand relation		
5a	Perceived personality of the brand owner is associated with the perceived personality of the brand.	+	0
5b	When the perceived personality of the brand owner is similar to that of the brand, the brand owner reinforces the brand.	+	0
5c	When the consumer likes the brand, the perceived self-personality of the consumer is associated with the perceived personality of the brand.	+	0
5d	When the consumer likes the brand, the brand shows the consumer's own personality.	+	0

N0.	Hypotheses	Supported (+), rejected (-), method not appropriate (n), not applicable (0)	
		Liked Brand	Disliked Brand
6	Adapted balance model performs similar to original balance model		
6a	In the adapted perceived personality O-C-B relation, there are more balanced triads than imbalanced triads.	+	0
6b	In the consumer's personality abstract structure, there should be more balanced triads than imbalanced triads.	+	0
7	Consumer characteristics influence perception of brand owner		
7a	High fashion perception consumers are more sensitive to the brand owner.	-	0
7b	High self-monitors are more sensitive to the brand owner.	-	0
7c	High hedonic shoppers are more influenced by brand owner.	-	0

Chapter Seven

Discussion

7.1 Overview

The purposes of this study are to conceptualize impacts of brand owner on consumers' perception and to build a brand owner-consumer-brand relation model by applying Heider's Balance Theory (1946, 1958).

In common with the Balance Theory proposed by Heider (1946, 1958), all hypotheses related to build brand owner-consumer-brand relation are supported. Namely, **in the static brand owner-consumer-brand relation, there are more balanced triads than imbalanced triads; and if we destroy the balanced state, consumers will restructure new balanced triad. Out of the restructured triads, there are more balanced than imbalanced triads.**

Responses to the brand that consumers originally liked have been used to develop the model, while responses to the brand that consumers originally disliked have been used to validate the model. Both data sets gave statistically

significant support to the hypotheses. As a result, a Brand Owner-Consumer-Brand Relation Model (OCB model) is, therefore, supported by the results of this study.

This chapter discusses the research findings in relation to the proposed theory and considers possible reasons for the theory being expanded. It discusses the relation of this research to the literature presented earlier. Implications of the present work for marketing management are presented and further areas for research are suggested. The chapter is divided into ten main parts with a brief overview offered in the first part.

The second part examines the dominant balanced modes in the Static Brand Owner-Consumer-Brand Relation Model (OCB model). There are two dominant balanced modes, namely dominant positive balanced mode (+ + +) and dominant negative balanced mode (- - +). Theoretical explanations and research implications are discussed. Different implications for practitioners are also discussed.

The third part examines the dynamic OCB model. Theoretical explanation, research implications and implications for practitioners are discussed. In the fourth part, theoretical explanation, research and managerial implications of the discovered mode of extreme antipathy are discussed.

The fifth part examines the findings associated with brand owner's impact on the consumers' perception of the brand from the viewpoint of the consumer. Theoretical explanation, together with research and managerial implications are discussed.

In the sixth part, the influence of personality on brand owner-consumer-brand relation and Chinese Brand Personality Scale are discussed with theoretical

explanations and research implications. Managerial implications, for example using this scale for marketing to Chinese will also be examined.

In the seventh part, the applicability of the regression model is discussed, together with theoretical explanations, research implications and implications for practitioners. The eighth part discusses scales decay and its managerial and research implications. Respondents' characteristics together with research and managerial implications are discussed in the part nine, while part ten concludes this chapter.

7.2 Dominant Balanced Modes in Static Brand Owner–Consumer–Brand Relation Model (OCB Model)

Although the study was designed to test the validity of the hypothesized model, the actual results uncover the following insights into the model behaviour. In the static model, for the brand that is originally liked by the consumer, the dominant triple positive perfect balance mode (+ + +) is found, whereas for the brand that is originally disliked by the consumer, the dominant negative balance mode (- - +) is found.

Details of the dominant structures are illustrated as follows. For the brand that was originally liked by the consumer, 86.3% to 100% of the respondents displayed triple positive balanced mode (+ + +)¹. For the brand that is originally disliked by the consumer, 76% to 84% of the respondents displayed negative balanced mode (- - +)².

Consumers have dominant liked and disliked perceptions in the static model, rather than there being a range of possible balance modes.

¹ 100% when using 'arbitrary midpoint' and 'all conditions mean midpoint' and 86.3% when using 'liked-disliked static mean midpoint'.

² 84% when using 'arbitrary midpoint' and 'all conditions mean midpoint' and 76% when using 'liked-disliked static mean midpoint'.

7.2.1 Theoretical explanation of dominant balanced modes

In this section theoretical explanations of dominant balance modes, namely the dominant positive perfect balance mode (+ + +) and the dominant negative balance mode (- - +), are discussed.

7.2.1.1 Dominant positive perfect balanced mode (+ + +)

A finding in this study is that the dominant majority (86% to 100%)³ of consumers conform to a positive perfect balanced mode, triple positive (+ + +) for the brand that they originally liked. There are several ways to interpret this relation in the brand owner-consumer-brand relations model. It may be that in the brand owner-consumer-brand relation, when consumers like the brand owner, they think the brand owner is related to the brand, they consequently like the brand. Or when consumers like the brand, they think the brand owner is related to the brand, so they like the brand owner. Or when consumers like the brand, they like the brand owner and so they think the brand owner and the brand are related.

This dominant positive balanced mode is similar to Heider's Balance Theory (HBT) that "a friend of my friend is my friend". This is the triple positive balance (+ + +) case, implying that consumers are in a cognitively balanced state (Heider 1946, 1958), and there is no pressure on them to change their perceptions. Since they are very happy with the brand owner and the brand, it is very likely that they will continue buying the brand. This is because, in the research design, only consumers who had at least bought clothing items from their original liked brand were included in the study. Consumers who had only bought accessories and or cosmetics were excluded from the study by the first screening question. Some respondents had actually bought clothing, accessories, and other products from the same brand (international designer labels).

³ 100% when using 'arbitrary midpoint' and 'all conditions means midpoint' and 86.3% when using 'overall means midpoint'.

Liking is usually linked to a positive view of the product and this could lead to an increase in sales (Biel 1990; Stepal 1991). There is a clear relationship between liking an advertisement and subsequent sales (Pickton and Broderick 2005). Consumers like both the brand and the brand owner. This positive dyad has reinforcement. When consumers like the brand, this usually facilitates liking the brand owner and vice versa. All these generate positive direction of action. Consumers liking the brand could lead to an increase in the sales of that brand, meaning consumers buying the brand (unit relation). Consumers like the brand owner, who advertises the brand in person, and correspondingly they like the way the brand owner advertises the brand. As liking an advertisement leads to subsequent sales, when consumers like the 'advertisement' of the brand owner they may buy the brand (unit relation).

Positive dyads include, consumers liking both the brand and the brand owner, or consumers liking both the brand owner and the advertisement. Positive unit dyads include consumers liking the brand and buying the brand, or consumers liking the brand advertisement and buying the brand.

Positive (unit) triads include consumers liking the brand, liking the brand owner, and thinking they are related; or consumers liking the brand, liking the brand owner and buying the brand; or consumers liking the brand owner, liking the advertisement with the brand owner and buying the brand, and so on. This shows that clearly different positive and unit dyads and triads are readily accessible for consumers. They reflect associate-to-brand accessibility, as well as consumer-brand-purchase thoughts (Axelrod 1968; Axelrod and Wybenga 1985; Haley and Case 1979; Woodside and Chebat 2001).

This study identifies clearly for those consumers who have bought items from the brand, like the brand owner, like the brand and believe the brand owner and the brand are related. Marketers can utilize these characteristics to build strategies. For example, marketers can build strategies around the consumer's liking of the brand owner, for example saying, 'These are the products carefully selected by the brand owner you like for this season', or 'this is the collection

designed by the brand owner you like, or the brand owner you like had personally tried and selected these ingredients to make this product for the brand, to facilitate marketing the brand’.

7.2.1.2 Dominant negative balanced mode (- - +)

Another dominant finding in this study is the dominant negative balanced mode. For the brand that consumers originally disliked, results from this study show dominant (76% - 84%)⁴ negative balanced mode (- - +). Consumers dislike the brand, dislike the brand owner and they think the brand owner and the brand are related. Or consumers dislike the brand owner, and they think the brand owner and the brand are related, so they dislike the brand.

This negative balanced mode is worse in the marketing sense. It is a balanced mode, meaning that the consumers are balanced cognitively. They are in a condition without pressure and tension to change their perception. However, they do not like the brand, and they do not like the brand owner. This may imply they are not going to buy products from this brand.

Alimaras (1967) suggested that in a negative *p* to *o* relationship the affect responses were less predictable. According to the results of this study, however, in the consumers’ original disliked brand this negative balanced mode (- - +) is very prominent. This indicates consumers are very certain that they dislike the brand, dislike the brand owner and think the brand and the brand owners are related.

⁴ 84% when using ‘arbitrary midpoint’ and ‘all conditions means midpoint’ and 76% when using ‘overall means midpoint’.

7.2.2 Research implication of dominant modes (+ + + and - - +)

This study clearly tested Heider's Balance Theory in the brand owner-consumer-brand relation setting. Results show, definitely, that there are relationships between consumers' perceptions of the brand, the brand owner, and the owner-brand relation. Dominant triple positive mode in consumers' perceptions of the brand they originally liked has not emerged in previous studies. This is the contribution of the present study building on the existing theory.

Contrary to Carroll's (1977) findings that there was a less balanced structure with negative bond, in this study the dominant negative balanced mode was found in the consumers' perceptions of the brand they originally disliked. This also has not been revealed by previous studies.

Further research can be conducted to investigate these phenomena and to find out different factors that make consumers like or dislike the brand owner and the brand. In addition, the level of importance of each factor in affecting consumers' preferences for the brand owner, as well as for the brand can also be investigated.

This study shows that consumers have separate perceptions of the brand and the brand owner and this was the reason for undertaking this study to investigate the relationship between brand owner, consumer and the brand. Further research would be worthwhile to investigate this phenomenon and to find out the strength of different relationships. For example, the extent of consumers liking the brand owner will lead to liking the brand, and vice versa; the extent of liking the brand will lead to buying the brand; what constitutes consumers' liking or disliking the brand, as well as, the impact of brand owner- brand relationship.

7.2.3 Implications for practitioners for dominant modes (+ + + and - -+)

In this section, different implications for practitioners are discussed. When consumers like the brand owner, the brand owner can use his or her own resources, such as identity to positioning brand, assisting in advertising, promotion, integrated marketing communication, new product development and brand extension. In addition, possible strategies for situations when consumers dislike the brand owner are discussed.

7.2.3.1 Brand positioning, advertising, promotion and integrated marketing communications are facilitated by consumers liking the brand owner (+ + +)

In this triple positive mode (+ + +) consumers like the brand owner, think the brand owner and the brand are related, and like the brand. The brand owner, therefore, plays an active role in publicizing and positioning the brand. Positioning is in the mind of the prospective customer (Hooley, Saunders, and Piercy 2004; Hooley, Moller, and Broderick 1998; Ries and Trout 1986). It is the created image that occupies a meaningful and distinct competitive position in the target customers' minds (Hooley, Saunders, and Piercy 2004; Hooley, Moller, and Broderick 1998; Kotler and Keller 2006; Kotler, Wong, Saunders, and Armstrong 2005). Every year a company has to set aside a huge budget for marketing, advertising and promotion. West (2005) examined brand spending budgeting methods and decision processes used in the UK and found that 60% of the advertising budget surveyed on the Incorporated Society of British Advertisers (ISBA) members is spent on advertisements in TV commercials, press and magazines advertisements, as well as on PR activities.

Brand owners can have an impact on positioning the brand in the minds of the consumer as shown by results of this study. Their activities arouse public interest and increase news coverage. Since the costs of TV advertising, press and magazine advertising are very high, some brand owners are very good at utilizing their own identities to promote their brands. Richard Branson of Virgin is a very good example. Consumers like the brand owner, think the

brand owner and the brand are related and therefore like the brand. Marketers make use of the triple positive (+ + +) characteristics of consumers' perceptions of their preferred brand owner-consumer-brand relation to market the brand. In addition, as illustrated in the previous section in this chapter, consumers who like the advertisement of their liked brand owner may thus be led to purchase the brand. This shows that the brand owner facilitates brand promotion.

The brand owner, Sir Richard Branson, himself generated lots of free publicity, for example, when he appeared in the cockpit wearing a leather World War I flight helmet when the first Virgin Atlantic Flight took off in 1984 with friends, celebrities and reporters on board. He showed up in a wedding dress for the launch of Virgin Bride. In New York, Branson, a balloonist who holds several world records, had himself lowered on a huge silver ball from 100 feet above the first US Virgin megastore in New York's Time Square on the day of the opening. All these stunts resulted in windfalls of free publicity for the Virgin brand (Aaker and Joachimsthaler 2000). Though these are stunts and outrageous actions, they fit well with the identity of the Virgin brand. Personality helps positioning (Kotler, Wong, Saunders, and Armstrong 2005). This shows that brand owner can strategically make use of the characteristics of his own personality, utilizing his own resources and identity to develop himself into a 'celebrity' using his own appearance and actions to promote and advertise his brand. By making sure his brand also delivers the same message and promises, the brand owner can certainly attract and maintain more 'loyal' customers.

Usually at the finale of the fashion catwalk show, the brand owner appears in person to thank all on the catwalk, including the models. In addition, he invites celebrities to attend the shows and hosts parties with celebrity guests, important customers and press after the show. These have not only generated a great deal of press coverage on TV, in magazines and in newspapers; he also receives free publicity through word-of-mouth from the participants in the events when they share their experiences with their friends. Mere exposure can change attitudes and result in purchases (Fazio, Powell, and William 1989; Woodside 1994;

Woodside and Chebat 2001). A brand owner who is effectively promoting the brand may increase the demand for the products.

Mr. Armani has strong collaboration with movies and movie stars and, starting in 1980, he designed Richard Gere's wardrobe for the movie "American Gigolo" which had a long lasting impact on modern style. Since then he has designed the wardrobes for more than 140 movies and for participants of various Academy Awards. His continuous contribution was acknowledged by a special award at the David di Donatello Italian Oscars in 2000. His brand has benefited from the promotion of the movies that he, the brand owner, collaborated with. His designer products are promoted by the movie itself and by all the posters promoting the movie. In addition, the brand has movie stars as 'live famous model(s)' wearing his designs. Collaboration of the brand owner with the movie industry has also lead to press coverage of the brand owner as the designer for the wardrobes of these movie stars and sometimes the press will publish group photos of the brand owner and movie stars together. In Heider's original Balance Theory (+ + +) mode, a friend of my friend is my friend. Consumers who like Richard Gere and like his wardrobe will like Giorgio Armani and so on.

Event sponsorship encourages the consumer to develop a positive view of the sponsor (one side of the triangle). If consumers already have a positive impression of the sponsored event (the second side of the triangle), it is likely that they will form an attitude (or change an existing attitude) to be positive toward the sponsor (the third side of the triangle) (Dean 2002).

Armani also reinforced consumers' perceptions by sponsoring film premiere, hosting photographic exhibitions in fashion schools and universities. The brand owner's talent and activities are being studied by university students in New York and Italy. As he is directly involved in everything that carries his name (Blanchard 2000), and although every detail of the exhibition at the university had his previous approval, he went to the university the day before the exhibition began and made sure everything was fine. This resulted in very good

“advertising, promotion and PR” activities positioned solidly in the minds of the future potential customers. These students admired the talent of the brand owner and they like the brand owner and the brand. They have created a positive dyad between the brand owner and the brand. They may eventually become his loyal customers when they work in society and can afford his products. The Solomon R. Guggenheim Museum in New York opened the “Giorgio Armani” exhibition, which was a study of 25 years of Giorgio Armani’s work, in 2000 and this exhibition had a world tour in different Guggenheim Museums in the world. All these collaborations and events position strongly both the brand owner and the brand in the minds of the consumers, build sentimental relationships with the consumers who like the sponsored events and generate lots of publicity for both the brand owner and the brand.

In addition to movie stars, Mr. Armani also has collaborated with musicians, and artists. He has designed wardrobes for them and sponsored music and arts related activities. Similarly, these collaborations generate free publicity, these people like the Armani products, and they like Mr. Armani (+ + +). Consumers like these persons, like the costumes designed by Mr. Armani, and they like the Armani brand. “A friend of my friend is my friend”. Similarity will generate unit formation (Heider 1958, ch7). Consumers like these artists, and these artists like the Armani brand, so they also like the Armani brand.

The brand owner has strategically applied Heider’s balance principles of interpersonal relation into his brand by collaborating with different movie stars, singers, opera lead actors, artists (though he is also an artist himself) and participating in charity works. Based on the principle of proximity attraction, the brand owner established similarities in attitude and unit relation with consumers. This facilitates establishing a perfectly positive balance mode in the brand owner-consumer-brand relationship.

A brand owner also facilitates integrated marketing communications. Coherent company-wide understanding of the uniqueness of the brand is crucial (de

Chernatony and McDonald 2003; Pickton and Broderick 2005). Brand values and essence should be communicated thoroughly and understood by all members of the company, so internal branding is very important (de Chernatony 1999; de Chernatony 2002; de Chernatony and Segal-Horn 2001; Vallaster 2005).

The brand owner, as the centre of focus, communicates the brand vision and essence to different members of staff. A brand owner also facilitates the transfer of brand values to member staff. For example, Mr. Giorgio Armani participates in the recruitment process of key staff members even for subsidiary offices outside of Italy. He himself works with different staff members and team members whenever there are events bearing his name. Brand vision, and company culture are easily coordinated in his teams. The way he dresses the models for a catwalk performance and his preferences are easily transferred to his staff members. The sales ladies will inform their customers that this is the way he dressed his model. Usually, his employees have the same vision that he does. More often, his staff team members admire his talent, they are proud to work in his company and have a chance to meet him and work with him in person.

Consistency in brand vision, modifying and adapting to the constant changing environment and meeting the challenges are easily achieved by the brand owner. The brand owner is reacting actively to the changing environments, consumers' responses as well as facing competitive challenges. His own interactions with different levels of staff member teams enable smooth and coherent transfer of brand values even through changes. Therefore, integrated marketing communication can easily be achieved.

7.2.3.2 New product development is facilitated by consumers liking the brand owner (+ + +)

Liking generates positive perception and may lead to an increase in sales (Biel 1990; Stapel 1991) when consumers like the brand owner, think the brand owner and the brand are related, and they like the brand (+ + +). This study shows that consumers admire the talent and expertise of the brand owner. The reputation and expertise of the brand owner can also be applied to new product development (NPD).

The design, style and taste of these brand owners (international designers) can easily be applied when developing other new products, such as golf line, sports line, accessories, lifestyle products including household linen and furniture, food, café, flower shop, cosmetics and fragrance, etc. Consumers' liking of the brand owner can be linked to liking of the brand as shown by the triple positive mode. When consumers understand that these new products have been developed by their liked brand owner, they may like these new products. In the same terminology as Heider's, they like the brand owner, they think the brand owner and these new products are linked, so they like these new products.

Giorgio Armani's golf line could be introduced easily as the products are associated with the brand owner, who also plays golf, and included in the collection in the catwalk shows in Milano Collezioni - Milan Collection Week (Chan 1999a).

The development of accessories is easily associated as these accessories form the total look of the collection and can be seen in the catwalk fashion show. Very often, designers show their bags, eyeglasses and other accessories during their shows, for example, Miuccia Prada has special cameras zooming onto her shoe collection and projected onto the large sidewall screen while the models were walking on the catwalk (Chan 1999a).

Introduction of new lifestyle products, like household linen, furniture, book stores, flower shops, cafés, etc are all done through the opening of flagship stores, e.g., Via Manzoni 31 in Milan, and 1 Charter House in Hong Kong for Giorgio Armani. The public relations personnel (PR) introduce the products by saying that this is the living environment with the style and taste of Mr. Armani. All project a coherent Armani style of elegance. The total lifestyle image of the brand is backed by the skill of the brand owner, who takes care of the ergonomic and living environments of his customers. It is well known that Mr. Giorgio Armani supervises every detail of everything that carries his name directly.

“Elegance doesn’t mean being noticed, it means remembered,” Giorgio Armani.

This is the message when Giorgio Armani Cosmetics appeared. Mr. Armani used his talents in selecting technologies and techniques in textiles and fashion to create new products from fashion and textiles to cosmetics. He introduced “Micro-fil ®”, a revolutionary new process developed in the textile industry and applied in cosmetics. It fuses micro-fine crystalline powders and gels with non-opaque bases and meshes micro sphere polymers with ultra-fine pigments to create a “seamless” “total face”. “More than make-up, this is fashion transmuted into micro-fine pigments that melt with skin. It is as considered and subtle as the diaphanous layers and exacting tailoring that form his pieces on the catwalk. Fluid and free, light and luxurious, understated yet exquisite: with Giorgio Armani cosmetics you slip on the same soft colour and sublime texture as his clothes” (www.giorgioarmani.com).

These exemplify that brand owners are having a huge impact on new product development using their skill, style, and fame. Results of this study show that consumers are smart and knowledgeable. They are very conscious of the skills and quality standard of the brand owner as reflected by the high percentage changing from liked brand to disliked brand when told the brand owner cannot maintain the same level of standard. This implies that they are very conscious

that the brand owner is using the same quality standard when developing new products. When they believe the brand owner is creating all the new products with the same level of quality and approach of their familiar liked brand, it is much easier for them to accept these new products.

7.2.3.3 Brand extension is facilitated by consumers liking the brand owner
(+ + +)

Consumers like the brand owner, think the brand owner and the brand are related, and like the brand (+ + +). This relationship can be extended to: consumers like the brand owner, think the newly extended brands are related to the brand owner, and they like the brand extension. Real life examples in previous sections illustrate that the brand owner can strategically make use of his / her own resources to help in publicizing and promoting the brand, as well as his/her skills, taste and needs in new product development. The same strategy can also be applied for brand extension.

The brand owner can make use of his taste, his lifestyle, and his own preference to extend his brand easily to different lifestyle brands. For example, Mr. Giorgio Armani can easily extend his taste of elegance and his demand for high quality simplicity / minimalism to Armani Casa, his brand for household products including furniture, household linen, etc. In the 'home' he created, he can have Armani Flori, the flower shop and Armani Libri, the book shop. In his kitchen, he has Armani Dolci, the cake shop, and Armani Café, the coffee shop. Based on the success of these brands, he is planning a hotel resort as well.

The hobbies and interests of the brand owner can also facilitate brand extension. Mr. Armani's interests in theatre, and his links with the movie and opera worlds, have led to have his own Armani Teatro. The taste and skills of the brand owner can also facilitate brand alliances or co-branding. Mr. Armani has his Giorgio Armani brand linked with Mercedes-Benz. The brand owner is actually designing a limited edition of a model for Benz, the car company.

Designer Mr. John Rocha was named British Designer of the Year in 1994 and received his CBE in 2002. His unique style of mixed-culture design is highly welcomed by celebrities such as Ronan Keating and Anjelica Huston. He has extended his fashion line to household linen and home accessories. Recently he had a joint venture with Crosby Homes to create Orion, a luxurious accommodation next to the Mail Box in Birmingham, UK. A pent house with his design and style at Orion cost over one million pounds. He is not just endorsing the apartment, he flies in frequently to supervise the building progress and to ensure his design and style are realized perfectly (Perks 2005).

Successful brands increase profit returns and many companies change to corporate or household brands because of the communication and financial benefits of a shared reputation (Laforet and Saunders 1999). The brand owners can easily make use of their own resources to create a holistic brand, enable new product development, facilitate brand extension, sustain the brand over time and assist in advertising, promotion and integrated marketing communication of the brand. Most fashion brands begin as labels named after their founders and are intrinsically linked to the designer for a period of time (Henderson 2004). Those most successful fashion brands evolve from the persona of their owner to all-encompassing lifestyle brands. These brands have a very clear positioning and convey a coherent message to consumers. Their success provides successful models for others to follow.

7.2.3.4 Possible brand strategy when consumers dislike the brand owner

(- - +)

When consumers dislike the brand owner, they think the brand is related to the brand owner and so they dislike the brand. In this case, it is quite difficult to change their dislike of the brand owner. The first step is to find out the reasons why consumers dislike the brand owner and then appropriate strategies can be developed.

One of the brand strategies that may be useful is de-linking the relationship between the brand owner and the brand. The company can try to increase the uniqueness of the brand and enhance the quality or assortment of the brand.

The brand owner is one of the attributes in the consumers' brand experience. In the consumers' shopping experience, it is the salespeople who have direct contact with them, and a successful brand can be developed by appropriate service characteristics (de Chernatony and Segal-Horn 2001). Hence a company can think of strategies to develop high quality services and make consumers like the brand. They may eventually think the brand owner is not related closely to the brand as it is the team that runs the company. They may change their perception to: they like the brand, they do not like the brand owner, but they think the brand owner and the brand are unrelated (+ - -). This is also a balanced mode and it is good to the markers as consumers like the brand.

7.3 The Dynamic OCB Model

The dynamic of Heider's Balance Theory was tested for the brand owner-consumer-brand relation model. As discussed in Chapter 2, Heider's theory (HBT) predicts that when the balanced state is destroyed, imbalance will cause tension and cognitive restructuring and then new balance will be restored. The usual goal of consumer behaviour is tension management (Faison 1977), and consumers will try to manage the tension generated by changing their perceptions.

After consulting lawyers, a 'what if' scenario was used instead of traditional story persuading or telling methods. The traditional story persuading approach is to tell a 'made-up' story and make the respondent believe that is true in the experimental condition, test respondents' reactions and then de-brief the respondents afterwards. However, this study is related to real brands and their customers. In order not to ruin the reputation of these brands and not to create lawsuit cases, in this study the dynamic theory was tested in the 'what if' experimental conditions. Contrasting news (non-ethical and /or ethical related) concerning the brand owner was introduced and respondents were asked to state their overall perceptions (see section 4.6.5) 'what if' the brand owner has been involved in these scenarios.

The results support the hypothesis that **if we destroy the balanced state, respondents will restructure a new balanced triad. Of the restructured triads, there are more balanced than imbalanced triads.**

7.3.1 Theoretical explanation of dynamic OCB model

Consumers' responses to contrasting ethical and non-ethical related news of their original liked brand owner are different. When the consumers' perceptions were disturbed by thinking about the negative non-ethical news of the brand owner, the majority of their perceptions changed from positive perfect balanced mode (+ + +), liking the brand, to disliking the brand (- - +, - - -). Consumers' perceptions changed ranging from 86 to 100% perfect positive balanced mode⁵ (+ + +) to 78.4 % negative balanced mode (- - +) and a range of 5.9% to 19.6% mode of antipathy⁶ (- - -) after thinking about non-ethical related negative news of the brand owner. The effects are shown in Figure 7.1.

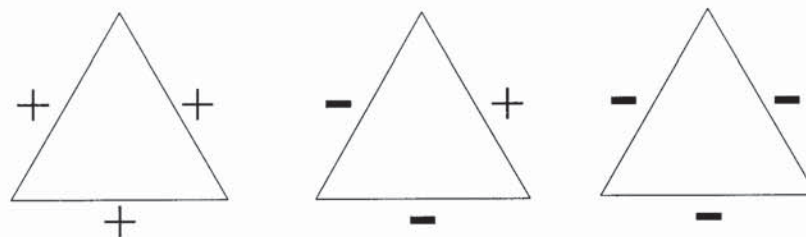


Figure 7.1 Original triad in perfect positive balance (+ + +) condition now changed to negative sentiment condition (- - +) or extreme antipathy condition (- - -)

This shows consumers' perceptions are both sensitive and changeable. These consumers perceived the brand owner and the brand as being not as good as before, so consumers came to dislike the brand owner and similarly to dislike the brand, although they still understood that there are strong relationships between the brand owner and the brand. This can be explained by the fact that

⁵ 100% when using 'arbitrary midpoint' and 'all conditions means midpoint' and 86.3% when using 'overall means midpoint'.

⁶ 5.9% when using 'arbitrary midpoint' and 'all conditions means midpoint' and '19.6% when using 'overall means midpoint'.

the experimental stimuli used here are concerning the brand owner's inability to maintain his/her level of standards or the brand owner continuously extending the brand even to unrelated areas that dilute the brand equity (over-expanded the brand). All these factors are related to the brand.

For contrasting ethical related news concerning the brand owner of the brand they originally liked, 17.6% to 27.5% consumers⁷ continued to like the brand and the brand owner (+ + +) while around 40% reconstructed their balance mode to dislike the brand, dislike the brand owner but think they are related (- - +). Those that still liked the brand owner and maintained a perfect positive balanced mode (+ + +) may have used Heider's differentiation principle (Heider 1958) that describes a tendency to split pressure concepts into sub-concepts. In these cases, when negative news is received concerning a brand owner being unethical, consumers split their perceptions of brand owners into two parts, their talents and their private life, and subsequently link their concept of the talent of the brand owner with their concept of the liked brand (Figure 7.2).

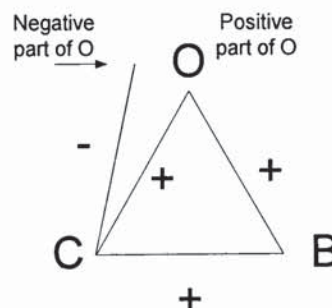


Figure 7.2 Heider's differentiation principle to maintain balance

Those consumers retaining a triple positive mode (+ + +) may be using the denial principle (Abelson 1959) and so rejecting the contrary news of the brand owner. The brand owner who they liked is still the same, but it is someone who would like to hurt the brand owner that created the news. Or those consumers may be using the 'bolstering' mechanism (Abelson 1959) that they relate to the more positive attributes of the brand owner such as the brand owner is very

⁷ 27.5% when using 'arbitrary midpoint' or 'all conditions mean midpoint' and 17.6% when using 'overall means midpoint'.

skillful, having high qualities, good in design, and thus minimize the relative imbalanced non-ethical attribute (Figure 7.3).

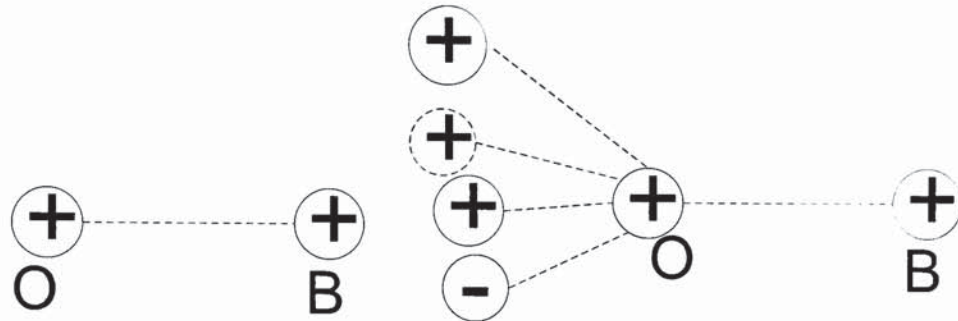


Figure 7.3 The mechanism of bolstering in reducing cognitive imbalance. In the bolstered structure (right) relative effect of imbalanced attribute 'non-ethical' is reduced by balanced attributes 'skillful' and 'good design' (adapted from Abelson 1959)

A number of respondents (13.7% to 17.6%)⁸ rebalanced their perception by continuing to like the brand while disliking the brand owner and thought that the brand owner and the brand were not related (+ - -). They rationalized their liking of the brand by de-linking the brand owner from the brand. They may think the brand owner has nothing to do with the brand. The brand they liked remains the same. It was the technical team and production team that did all the hard work to bring the products to the market. The employees' devotion to the brand should be recognized although the brand owner is disliked. They should not be punished by the fact that they are working for this disliked brand owner. By rationalizing in this way, consumers continue liking the brand and enjoying buying the brand. They detach the brand owner from the brand and hence the action or bad reputation of the brand owner will not influence their perception of the brand.

Quite a few (2% to 11.8%)⁹ restructure their perception of the brand they liked after the contrasting ethical news of the brand owner to (+ - +) mode. They continue liking the brand and dislike the brand owner, but they think the brand

⁸ 13.7% when using 'arbitrary midpoint' or 'all conditions mean midpoint' and 17.6% when using 'overall means midpoint'.

⁹ 11.8% when using 'arbitrary midpoint' or 'all conditions mean midpoint' and 2% when using 'overall means midpoint'.

owner and the brand are related. They are in imbalanced mode and have tension inside to change their perception.

For the brand that the consumer originally disliked, when contrasting non-ethical related news of the brand owner was introduced, 20% to 28%¹⁰ of the respondents started liking the brand owner and adopted a perfect positive balanced mode (+ + +). They now think the brand owner is good, and has improved the skills of developing the collection. They think the brand owner and the brand are related, so they like the brand.

Unfortunately, 40% to 48%¹¹ remain in a negative balanced mode (- - +), they continue disliking the brand owner and the brand, and think they are related. They think that just performing well once cannot change their perception. They may have used the differentiation principle of HBT as mentioned above. They split the news of good performance of the brand owner as a one-off event from the brand owner perception and continue to dislike the brand owner and the brand. This shows it is very easy to make consumers dislike a brand. However, it is very difficult to make consumers change their perceptions to liking a brand.

Another prominent mode that should not be missed is that of extreme antipathy. Extreme antipathy is the mode of triple negative (- - -). The consumers dislike the brand, dislike the brand owner and think they are not related. For the brand that consumers originally disliked, there is over 40% increase in the percentage of mode of antipathy when consumers' perceptions are disturbed in the dynamic OCB model. This is a change from an initial range of 10% to 22%¹² to a range of 14% to 36%¹³. As the percentage of the mode of antipathy is very significant, discussion of this mode deserves a special section, and is covered in Section 7.4.

¹⁰28% when using 'arbitrary midpoint' or 'all conditions mean midpoint' and 20% when using 'overall means midpoint'.

¹¹48% when using 'arbitrary midpoint' or 'all conditions mean midpoint' and 40% when using 'overall means midpoint'.

¹² 10% when using 'arbitrary midpoint' or 'all conditions mean midpoint' and 22% when using 'overall means midpoint'.

¹³ 14% when using 'arbitrary midpoint' or 'all conditions mean midpoint' and 36% when using 'overall means midpoint'.

7.3.2 Research implications of dynamic OCB model

This study tested the dynamic part of Heider's Balance Theory (HBT) in the brand owner-consumer-brand relation. Results confirmed clearly the prediction of the theory. As predicted by Heider, when consumers' perceptions are disturbed, consumers will restructure and rebalance their perceptions. This is true for both the brands that consumers originally liked and disliked.

This study served as an initial step in investigating a dynamic brand owner-consumer-brand relationship. Results of the study confirmed that a dynamic relation exists between brand owner, consumer and the brand. Further research can be done to investigate different phenomena in more depth. Dominant triple positive mode (+ + +) in the brands that consumers originally liked was found to be restructured to dominant negative mode (- - +) with negative non-ethical related news of the brand owner. However, when contrary ethical news concerning the brand owner was introduced, some consumers remained in the triple positive mode while others had varied response. The study included an investigation to discover whether different situations would have different dynamic results. It was found that consumers responded differently to ethical and non-ethical related news concerning the brand owners of the international designer labels.

This study only investigated some of the possible reasons for the differences in responses. Further research could find out when consumers change immediately from liking to disliking and when consumers continue liking the brand. In addition, further research could find out the most important or prominent factors affecting consumers' perceptions of the brand owner and of the brand. Perceptions are influenced more by factors internal to the observer than by the actual data available for observation (Elliott and Roach 1991), so it is important to find out how differently consumers perceived the actions of the brand owner so as to better understand their responses and reactions.

7.3.3 Implication for practitioner of dynamic OCB Model

Marketers should pay attention and make every effort to prevent these consumers from disliking the brand. It will be more difficult for marketer to change their perceptions from disliking the brand owner to liking the brand owner. However, marketers may try to reinforce their liking of the brand and de-link their perception between the brand owner and the brand.

By promoting the independence of the brand from the brand owner and the good quality the brand offers, marketers enhance the liking of the brand from these consumers. They may be able to persuade these consumers to think the brand owner and the brand are not related so that they can reduce the dissonance and the tension for change to maintain cognitive balance.

In this study, hypothesis 2b: **consumers' attitude towards the brand is positively associated with consumers' perception of the values of and opinions associated with the brand** is supported uniformly and significantly. For the brand they originally liked, respondents significantly agreed that 'the brand is managed with the same philosophy I hold', 'this brand suits my lifestyle', 'this brand fits my taste', 'this brand shows my own personality', and 'I buy items from this brand because it shows my own personality'. They also agreed that 'the designer (brand owner) is able to develop items that suit my lifestyle, so I buy items from this brand'.

However, the same group of respondents disagrees that they have the same lifestyles as the brand owner and they disagree that they have the same personalities as the brand owner. Their liking of the designer (brand owner) does not necessarily lead to buying from the brand nor to visiting the store. However, they do agree significantly that they have the same tastes as the brand owner of the brand which they like.

This shows that consumers do differentiate between the brand and the brand owner. They buy items from the brand when they find the brand shows their own personality, suit their lifestyle, matches their taste and is managed with the

same philosophy they hold. Whether they are sharing similar values and opinions with the brand owner is not that crucial in their attitude towards the brand. The prime importance is that they are able to find products that suit their lifestyle. When they perceive the brand is good and that it suits them, they will buy products from the brand. This reinforces the previous strategy that brand marketers can build the strength of the brand independently and enhance consumers' perception that the brand understands them, and cares about them. The brand is managed with the same philosophy held, fits their taste and lifestyle and is able to show their own personality.

As discussed in Section 7.2.3.3, a successful brand increases profit returns and many companies change to corporate or house brands because of the communication and financial benefits of a shared reputation (Laforet and Saunders 1999). However, a recent survey in America on 2000 public and private companies found that reputation risk is the single biggest business hazard (AON 2001).

Brand owners use their names and themselves to position the brand. They can save advertising costs, and easily link and extend consumers' preferences to new products they develop and new brands they create to expand their empire. When everything is fine and well, they certainly can enjoy all these benefits. However, if anything 'wrong' happens to the brand owner, the brand is also affected seriously. This will be discussed in the section concerning brand owner reputation risk. There are situations or times when the brand owner has to step out of the business. What will happen to the brand and what strategies might be formulated? These issues will be discussed in the next section.

7.3.3.1 Brand Owner Reputation Risk

From the results of this study, for the majority of consumers, it may be seen that the brand is tied tightly to the brand owner in these international designer labels. Actions and activities performed by the brand owner will easily affect consumers' brand perceptions and it is very easy to pull down a successful brand but very difficult to build up a successful brand. Respondents to the

survey conducted in this study are reluctant to perceive their original disliked brand favorably after the introduction of positive news of the brand owner. However, 40% immediately changed their perceptions from the positive perfect balanced mode (+ + +) to the negative balanced mode (- - +) on learning that the brand owner did something of which they did not approve.

In a real life situation, Martha Stewart is the brand owner of Martha Stewart Living, Martha Stewart Signature, Martha Stewart Everyday, Marthasflowers, Martha Stewart Weddings, etc. Retail shops are in her name, and her own magazines lines as well as her television programmes are more or less all with her name (www.marthastewart.com). It is very easy for consumers to link the perception of her expertise to all her brands using this dual and endorsed branding strategy (Laforet and Saunders 1994).

Unfortunately, 'when putting all eggs into one basket, risks are also high'. Before the news broke of financial scandal concerning Martha Stewart the brand owner, the Martha Stewart brand was one of America's strongest with a Brand Keys index of 120. Following her conviction, the index fell to 62, even lower than Enron (Stein 2004). The use of the Martha Stewart corporate brand name across a huge array of businesses was an advantage until the bad news broke. Then her bad reputation stretched across the whole range of business activities.

What should be done? Should the brand owner use his or her name as a corporate name to build brands on? Or should brand owners build a 'firewall' between themselves and the brand? Some establish brands with no clue and linkage to their own name, so that in the event of negative publicity the brand will not be ruined. If it is celebrity endorsement, the company can easily change the endorser and break the association with the endorser if something unfavourable arises.

How about the international designer labels? For international designer labels, some designers use their own names as corporate names and build brands

around them. Others use different brand names, for example, Rei Kawakubo is the brand owner of the Comme des Garçons brand. Terence Conran, the interior and furniture designer, first opened his retail shop Habitat, and then several restaurants: e.g., Bibendum, Blue Print Café, Le Pont de la Tour, Guastavino, Zinc Bar and Grill. These are all under separate names, although he also has a shop under his name, the Conran Shop.

Brand owners and marketers have to compare the pros and cons of using their own names as corporate names to build brands on. In addition, marketers have to evaluate carefully whether they should build the brand portfolio under the umbrella of the corporate name or separate brands should be built.

7.3.3.2 Brand owner step out of the business

All brands and focuses are developed around the brand owners for these labels. Empirical studies show that when the brand owner ceases his active role the brand will be perceived differently by the consumers (Marsh 2001; Menkes 2001; Rossant and De George 1997). The brand was found to be without a soul, such as in the case of Jil Sander. Due to financial reasons, Jil Sander, the designer (brand owner), sold the company to a buyer and then left the company. The collection was found to be without a soul, without the character of the designer (Menkes 2001). After the death of Gianni Versace, the brand owner of the Versace empire, the whole empire collapsed, sales plummeted as the hope and dream collapsed (Rossant and DeGeorge 1997). It took Donatella Versace a year to transfer the Versace brand after her brother died. However, she has inevitably changed the image of the brand which now has her aesthetic input and has become more feminine.

What should be done? These brand owners may behave very well and without any unfavourable activities. However, unfortunately one day they will pass away. What should these brand owners do in order to sustain their brands when they are not around?

The 20th century fashion icon, Gabrielle ‘Coco’ Chanel was the founder of the Chanel brand. She liberated women from unwieldy hats and form-choking clothes, and pioneered the designer fragrance Chanel No. 5. She made suntans popular and rocked the fashion world with the Chanel suit. Her trademark is two crossed C’s symbolizing security, style and status. The brand Chanel has been synonymous with “high quality, high-image, prestige”. Mademoiselle Chanel died in 1971 and her brand Chanel is still alive. The company has learnt to build on the myth of the brand owner and maintain a balance between protecting timeless elements of Chanel’s heritage (such as No 5 perfume) and adapting other elements to appear modern. With the help of the fragrance itself and very creative advertising behind it, Chanel No 5 still ranks within the top five brands of any major store (Di Giacomo 1997).

Mr. Giorgio Armani started his own business when he was 40 years old. He has worked in a very subtle way and, nurtured, his brands have become very successful. He is the only share-holder of his company and celebrated the 30th anniversary of his label in 2005. In recent years he has consolidated nearly all his manufacturing plant under his company as well as his distribution network instead of collaborating with others. When the product is manufactured by another company on behalf of the designer it is understood that the designer will look into every detail and give his approval before production. The link is there when the designer is involved actively. However, the link is weakened when the designer decides to be less actively involved. Consumers may think the brand is a different one now as designs can be finalized without the brand owner’s approval. However, now he built a vertical organization and opened his own store and flag-ship stores, the link of the brand with the plant is still there even though the designer may have decided to be less actively involved. Consumers may regard this case as being the same as that of the brand owner who relied on all his colleagues to build the brand together with him.

Traditionally there is no ‘logo’ on either the Giorgio Armani or the accessories line. However, starting from this S/S 2005 season, the policy changed and a new GA logo is attached to the accessories of the Giorgio Armani line. A

simple unconfirmed guess might be that the brand owner was trying to make his brand more independent of the founder. Coco Chanel has a myth story, very successful perfume and the two-crossed-Cs logo for consumers to associate with the brand and remember. Louis Vuitton has lifetime traveller history and museum, LV logo and monogram for consumers to associate with and remember. Giorgio Armani may be planning to have an unstructured Armani jacket, GA logo and links with the movie industry for consumers to associate with and remember.

7.4 Mode of Extreme Antipathy (- - -) in OCB Model

The triple negative mode (- - -) is referred to here as the mode of extreme antipathy. In this section, theoretical explanations, research and managerial implications will be discussed. Although HBT generally supported a (- - -) result, this triple negative mode is one of the most common outcomes in this study. It arose when consumers' perception were disturbed by negative news concerning the brand owner they originally liked. In addition, it has increased in appearance after the contrasting news of the brand owner for the brand they originally disliked.

7.4.1 Theoretical Explanation (- - -) mode of extreme antipathy

Heider (1958, pg 203) mentioned that the case of three negative relations is somewhat ambiguous. Philips, Liu, and Costello (1998) mentioned that the triadic system would be dissolved when all three relationships moved towards disliking (meaning should not exist). A lot of researchers classified this triple negative mode as an imbalanced mode (e.g. Doreian and Mrvar 1996; Mohazab and Feger 1985; Peterson and Gross 1979; Woodside and Chebat 2001) while Davis (1967) and Hummon and Doreian (2003) classified this mode as the fifth balanced mode in the social network with different subgroups. In this study, this triple negative extreme antipathy mode appeared quite frequently so it cannot be ignored. In these situations, consumers dislike the brand owner, dislike the brand, but think the brand owner and the brand are not related. What matters most in this study is not whether this mode is to be classified as

balanced or imbalanced. The crucial thing is what strategies brand marketers should adopt in this extreme antipathy situation.

Alimaras (1967) discussed that when a situation had a negative p to o relationship, that is the subject disliking another person, the effects of responses were less predictable. More attitudinal ambivalence exists in situations of negative interpersonal relations than in those of positive interpersonal relations. Carroll (1977) and Manis (1978) proposed that people will be more indifferent when the interacting parties have a negative relationship. Consumers in extreme antipathy mode dislike the brand, dislike the brand owner and they do not think the brand and the brand owner are related. This perceptual mode exists (10% - 22%)¹⁴ in the case of the consumer's original disliked brand. This means this mode exists in the negative brand owner-consumer-brand relation. Consumers may be indifferent to the relationship between the brand owner, and the brand.

This extreme antipathy perceptual mode did not exist in the consumers' original perceptions of the brand they originally liked. However, it appeared (5.9% – 21.6%)¹⁵ when consumers' perceptions of the brand they originally liked were disturbed by negative news about the brand owner. In addition, it has increased over 40%¹⁶ in appearance after the contrasting news of brand owner for the original disliked brand. Indifference may not be the only reason.

This triple negative mode can be classified as an imbalanced mode and Heider's Balance Theory predicts that when people feel discomfort they will try to minimize this discomfort. Keeping a distance or creating a psychological distance may be one of the methods they use to attenuate the discomfort created (Hess 2000).

¹⁴ 10% when using 'arbitrary midpoint' and 'all conditions means midpoint' and 22% when using 'overall means midpoint'.

¹⁵ 5.9% when using 'arbitrary midpoint' and 'all conditions means midpoint' and 19.6% when using 'overall means midpoint' after non-ethical experimental stimuli, as well as 5.9% when using 'arbitrary midpoint' and 'all conditions means midpoint' and 21.6% when using 'overall means midpoint' after ethical experimental stimuli.

¹⁶ It is a change from an initial range of 10 to 22% to a range of 14 to 36%.

Expressing detachment, avoiding involvement, and showing antagonism are three basic profiles of how people maintain relationships with disliked partners (Hess 2000). Although further research is required to investigate if these are the reasons causing the extreme antipathy mode in the brand owner-consumer-brand relation, these factors can be used here to explain the situations.

Expressing detachment. Consumers in this condition dislike the brand owner, dislike the brand, but they do not think they are related. They are not interested in what is happening with the brands or brand owners they dislike. They ignore them and are detached.

Avoiding involvement. In the case the consumers dislike the brand owner, dislike the brand, yet they do not think they are related, they do not want to have any association with the brand or the brand owner. They avoid being involved and distance themselves from these brands and brand owners.

Showing antagonism. Consumers dislike the brand owner, dislike the brand, and they do not think they are related. They show hostility and reject these brands and brand owners.

This extreme antipathy mode may also be explained by Festinger's (1957) cognitive dissonance theory. The motivating effects of "non-fitting" or dissonant cognitions would result in a state that prompts various attempts to reduce dissonance. Consumers dislike the brand owner, so correspondingly they dislike the brand. They may have originally liked the brand owner and the brand. Now they changed their perception because of the negative news of the brand owner. It is very difficult to change consumers' perceptions of the brand owner when they dislike him or her although measures can be taken to reduce the negativity. However, in this situation, they also do not think the brand owner and the brand are related. This gives the brand marketers some scope to influence the situation and to facilitate people to reduce the dissonance in thinking about liking the brand.

7.4.2 Research implications of the mode of extreme antipathy (- - -)

As mentioned in Section 7.4.1, this extreme antipathy mode is quite an undefined mode in Heider's Balance Theory, as Heider himself hadn't strictly defined whether it is balanced or imbalanced. Some researchers (Phillips, Liu, and Costello 1998) thought it would be dissolved, others classified it as imbalanced (Peterson and Gross 1979; Woodside and Cheat 2001), while some others classified it as the fifth balanced mode (Davis 1967; Hummon and Doreian 2003). Further research is required to investigate this triple negative mode in depth before a clear classification can be achieved.

Carroll (1977) and Manis (1978) proposed that people will be more indifferent to the views of enemies, that is when the interacting parties have a negative relationship. This mode appeared in the negative brand owner–consumer–brand relation. The increase in appearance of this triple negative mode after consumers' perceptions were disturbed by experimental stimuli makes the borrowed theories (distance, non-involvement, detachment) seem applicable. However, further research is required to investigate different reasons causing the extreme antipathy mode in the brand owner-consumer-brand relation. There may be different reasons for this extreme antipathy mode in different circumstances, for example, when brands are disliked by the consumer, or when consumers' perceptions are changed due to various experimental stimuli. The reasons for each condition can be investigated so as to have a better understanding.

7.4.3 Implications for practitioner – methods of changing consumers' perceptions

In the mode of extreme antipathy, consumers dislike the brand owner, dislike the brand and think the brand owner is not related to the brand. An important task for the marketer is to make consumers like the brand and buy products from the brand.

Brand marketers may try to minimize the influence or involvement or linkage of the brand owner in the product development of the brand. They may draw attention to the fact that there is an intelligent and highly gifted team in the company producing the products for this brand. Further, the techniques of the skilled tailors ensure that well-fitting patterns are used for products of this brand. They may further stress the fact that the latest technology is employed by the company to ensure both smooth and error free production.

By reinforcing de-linkages between the brand owner and the brand, and emphasizing the advantages of the brand, marketers may change consumers' perceptions to the (+ - -) balanced mode although this is difficult to achieve. This is a balanced mode and in this mode consumers like the brand, though they dislike the brand owner and do not think the brand owner and the brand are related. Liking may generate unit relation, so these consumers may buy products from the brand. This is a better situation for the marketers. Consumers like the brand, may buy items from the brand and are cognitively balanced therefore they do not need to change their perceptions to release tension.

7.5 Impact of Brand Owner on OCB

Previous sections discussed different modes in both the static and dynamic Brand Owner–Consumer–Brand Relation Model (OCB Model) using Heider's Balance Theory. It was found that the brand owner played a role in the consumers' brand perception although a view of one brand expert was that the consumers may not be able to differentiate between the brand owner and the brand for international designer labels. Results of this study show that consumers have separate views on both brand owner and brand. In this section, the different impacts of the brand owner on consumers' attitude towards the brand are discussed. In addition, theoretical explanation, research implications and implications for practitioners are discussed.

7.5.1 Theoretical explanation of brand owner's impact

A slightly modified perspective of the definition of brand, proposed by Kapferer (1992), was that the spirit of a brand is largely inferred by the acts and the PR of the brand “owner” and its products, as well as its advertisements. The content of a brand grows out of the cumulative memory of these activities, which are governed by the taste and personality of the brand owners. The way one is introduced to a brand, and the activities carried out by the brand ‘owner’, create an anchor in the memories that shapes all future perceptions.

One of the important aspects of Heider’s theory (Heider 1946, 1958) is attitude (sentiment). The relations of liking, loving, evaluating, valuing, and approving are positive attitudes. Negative attitude (sentiment) includes relations of disliking, disapproving, negatively valuing, etc. The hypothesis: **the sentiment perception of the brand owner is positively associated with the sentiment perception of the brand** is supported with indirect results in both originally liked and disliked brands in this study. In Heider’s terms, a friend of my friend is my friend. Consumers like the brand owner, and like the brand as they think they are related. However, consumers’ direct responses to the statement “I like this designer/ creative director, so I like his / her brand” are not statistically significant, meaning that some consumers like the brand for reasons other than the brand owner. Indirect answers supported the sentiment perception of the brand owner is positively associated with the sentiment perception of the brand. All consumers stated they liked the brand owner when evaluating their liked brand. Also, all consumers stated they liked the brand when evaluating their liked brand owner. In their answers to the balance modes, 92% -100%¹⁷ respondents stated they liked the brand owner and the brand. This strongly supports Heider’s theory that perception of a friend of my friend is positively related to perception of my friend. The sentiment perception of the brand owner is positively associated with the sentiment perception of the brand.

¹⁷ 86.3% consumers having +++ balance mode and 5.9% consumers having +- balance mode using the overall mean midpoint, they both like the brand and the brand owner.

Sharing the same values and opinions of others is one element of attitude in Heider's theory. Research results supported both the hypothesis: **consumers' attitude towards the brand is positively associated with consumers' perception of the values and opinions of the brand**, and the hypothesis: **consumers' attitude towards the brand is associated with consumers' perception of the values and opinions held by the brand owner**.

Over 70% respondents thought they had similar taste to the brand owner. Their attitudes towards the brand are positively associated with their perception of values and opinions held by the brand owner. However, only 47% thought they had similar values and opinions and just over 30% thought they had both similar lifestyles and personalities to the brand owner of the brand they originally liked when asked directly. These results show that the brand owner has an impact on consumers' brand perceptions.

Consumers generally agreed that they had the same taste as that of the brand owner or that their tastes were similar. Consumers said that they think the brand owner is able to understand their wants as they have the same taste, so they are able to find suitable products from the brands of these brand owners. Therefore, they like these brands and buy these brands.

It seems that not having the same lifestyle or personality as the brand owner did not affect their liking of the brand nor the brand owner. Consumers seem to have a different perception of the brand owner. They think these brand owners are celebrities, and therefore not living normal lives. They hold different standards when evaluating or perceiving the brand owner. This was reflected in the consumers' responses to contrary ethical news concerning the brand owner. Over 20% of the respondents maintained (+ + +) perfect balanced mode and were not affected by the notion that the brand owner had acted unethically.

Opinions from some respondents are that, *"as long as they do not harm the third party, committing something unethical such as having a very unusual sex life or taking special medicine can be accepted. They are celebrities, they are*

public figures and they are actually not living normal human lives anyway. What I admire is his or her talent! They may have peculiar ways to release their stress, these I can accept." This illustrates how respondents have used Heider's differentiation principle to split their perceptions of the brand owner.

When the impact of the different actions on the part of the brand owner was investigated, it was apparent that consumers were very conscious of the brand owner not maintaining previous standards. The impact level mean score of this factor is 5.06 out of 6 and more than 84% of the respondents were found to have an impact score of 5 to 6. In addition, they are also very conscious of fast business expansion coupled with changing character or identity.

Consumers used brand to construct their own self-identity (Fournier 1998), so they selected brands that were congruent with their own identity. This explains why, when a brand owner changes his or her own identity or style, consumers think he/she has also changed the style and identity of the brand and so they changed their perception towards the brand and the brand owner.

These consumers are very conscious of quality levels and the design standards of the products of the brand. These labels are very expensive and belong to the luxurious market. Consumers show their prestige and status by linking with these labels. In this group of consumers they have strong purchasing power, are knowledgeable and have taste. It is important for them be smart about their purchases and they only like to be associated with people of similar social status and taste. They would prefer not to see people they perceive as being of lower status than themselves using products from the brand. This explains why they become concerned at the prospect of the brand owner over-expanding the brand. They do not want their favorite brand to be extended too loosely into inappropriate areas and thus dilute the brand equity.

A majority (over 80%) of the consumers mentioned that they do not wish to see the brand they favoured expanding in the same way as Pierre Cardin as this would have a leveling effect. Usually the brand has its own character, and so

do those who are wearing the brand. However, when the brand is expanded too loosely, it loses its unique character and will attract lots of uninitiated customers to use the brand. They do not want to be associated with such people.

Respondents indicate that they buy international designer labels because they like the talent and character of the brand owner, so when asked what will happen when the brand owner loses or changes his or her own character and identity, they replied that the brand will lose its soul and will not be the same thereafter. They will change to disliking the brand. Around 70% of the respondents had impact scores of 5 to 6 showing this factor has a very high impact on respondents' perception of the brand.

Heider (1958) mentioned that liking will generate unit relation, which means two separate entities are perceived as belonging together, may because of ownership, similarity, proximity, etc. Biel (1990) and Stapel (1991) mentioned that liking could lead to an increase in sales. Accordingly the hypothesis: **the perception of the brand owner is associated with unit relation towards the brand** is supported. 49% of the respondents agreed with the statement 'I like the designer so I buy items from this brand' and 47% agreed that 'I like this designer so I visit his store'. Though these results are not statistically significant, they did show liking may generate unit relation though not definitely lead to unit relation. Opinions from some of the respondents are that: *"I like many designers, I may buy items from this brand, the products have to fit me physically. I am not able to wear the suits designed by Yohji Yamamoto, his fitting is for ladies with tall and slim physiques."*

Others mentioned *"I am not a fashion victim, I have my own intelligence and taste, I will not blindly buy items just because I like the designer. If I like the designer, I will visit the store to see if something is of interest to me. However, I am not only visiting his or her store, I will also visit other designers' stores"*.

"I am a fashion lover, I will visit all stores in the beginning of the season, both liked and less liked, hence it is not just because I like this designer, so I visit his store".

This shows respondents as very intelligent, independent, rational and knowledgeable. Brand owner did have an impact on their perception of the brand; however, the brand still has to perform up to their expected level. Over 75% of respondents significantly agreed that 'the designer is able to develop items that suit my lifestyle, so I buy items from this brand'. This shows the consumers' perception of brand owner's ability to develop items that fit their needs leads to unit relation with the brand. In fact, some golf lines of the designer labels were developed because the designer likes playing golf and understands that his customers also play golf and cannot find appropriate outfits for this sport.

Contrary to Heider's findings, the results of this study suggest that simply liking the brand owner may not definitely lead to unit relation with the brand.

Hypothesis: **the perception of the brand is associated with unit relation towards the brand owner** is supported. Over 60% of the respondents agreed with the statement 'I like this brand so I would like to meet the designer'. This shows that when consumers like the brand they would like to meet the owner of the brand. Liking the brand may lead to unit relation with the brand owner. On the contrary, only around 33% of the respondents would like to take a photograph with the designer or to get an autograph from this designer. Whilst they like the brand, taking photographs and getting autographs are not desired by the majority of the respondents.

For the brand that consumers originally disliked, this study shows that although positive news was introduced, (such as the brand owner having now developed a very good collection,) there are only some changes in consumers' perceptions. Only 20% of the respondents changed from negative balanced mode to perfect positive balanced mode. The majority (40%) still had negative balance (- - +).

This shows positive news is not very effective in affecting respondents' perceptions of the brand owner and the brand. Contrary to that of the original liked brand, it is very difficult for consumers to change from originally disliking to liking a brand and brand owner. This implies it is very difficult to rebuild brands from a lost reputation.

Although the introduction of opposing news did disturb respondents' perceptions, respondents split their perceptions of brand owner into 'only this time' and 'long term perception' and maintained negative balance. This can be explained by the fact that they are using Heider's differentiation principle to maintain their cognitive balance.

When asked for the reason why they did not change the perception, the majority responded that, for the brand they don't like, having only one good collection will not change the perception. They will continue to observe the brand and see if it will have continuous improvement. Some mentioned that if the brand owner changed significantly, then this brand owner would lose his / her own character, resulting in another brand. This shows it is very difficult to change a disliked brand to a liked brand.

7.5.2 Research implications of brand owner's impact

This study took the initiative of investigating the brand owner's impact on the consumers' brand perception. Results show that the brand owner did have an impact on consumers' brand perceptions. Consumers appreciate the similarity in taste with the brand owner and the ability of the brand owner to design products that are suitable for their lifestyle. Consumers responded differently to different actions of the brand owner. This study did identify several patterns of consumers' responses, particularly to ethical and non-ethical news of the brand owner. However, it can only serve as a basis for future investigation.

Further research is required to investigate the different impacts of brand owner on consumers' brand perceptions. For example, what will be the type of unit relations consumers prefer? What will be the crucial factors of the brand owner that constitute consumers liking the brand owner and the brand? What will be consumers' responses to different actions of the brand owner? What type of customers would like to have an autograph or take photos with the brand owner? What type of customers would like to meet the brand owner and have a conversation together? What makes the consumers continue liking the brand owner although he or she has perceived to have done something of which they do not approve? What will be the tolerance level?

7.5.3 7.5.3 Implications for practitioners of brand owner's impact

This study shows that consumers are very sensitive to brand owner's actions and performance. It is very easy to make consumers dislike a brand owner or a brand; however, it is difficult to build a brand. The brand owner therefore has to pay special attention to the control of both their position and that of the brand from the perspective of the consumers.

This study shows that consumers value brand owners' ability and skills in creating and developing items that suit their lifestyles. They are very conscious of the brand owner maintaining their standards and quality level. The brands investigated in this study are international designer labels. Respondents are customers of these luxurious labels, and mainly of the premium signature lines, for example, Giorgio Armani black label, which costs more than £700 per jacket. These customers have a wide range of choice and look for quality and services.

They are very conscious of the brand owner retaining their own characteristics, style or identity. It is usually the characteristics, style or identity of these designer labels that these customers admire. They select the brands that can

provide items which match their demand. *"The most important thing Armani clothes give me is a kind of security. When I have to face an audience, God knows how many doubts I have, and when I wear his clothes, I have no more doubts,"* said Sophia Loren (Blanchard 2000).

Respondents of this study are very conscious of the importance of exclusivity and dislike seeing the brand owners over-expanding their business since this will dilute the brand equity and positioning and attract a lot of inferior customers to the brand. In a sense, wearing these designer labels describes the type of person you are. This is particularly the case for the first line, or premium line. For the premium signature line, there is usually no logo outside the garment indicating which brand it is. However, for the 'right audience' or 'customers', they can tell whether a particular garment or accessory is from the brand they like, whether it is the latest collection, only available in limited stores or last season's item. Marketers have to pay special attention to maintaining the brand equity and keeping a balance of their business. It is crucial for marketers to find ways to reinforce the level of not only the products and services, but also the type of customers attracted to their brand.

Over two-thirds of the respondents mentioned that they would like to meet the brand owner of their liked brand. They like the brand, like the brand owner, appreciated his or her techniques and skills and would like to meet in person. They would like to get to know these brand owners and have a chance to talk with them and share experience or exchange opinions with them. However, the majority had no desire to get an autograph from the brand owner, nor to take photographs with him/her though some of the respondents (around one third) mentioned they would like to do these things. They would like to meet the brand owner of their liked brand, get an autograph with the brand owner and have a chance to take photos with the brand owner. Just like the 'fans' of singers, movie stars, and sportsman, they look for these chances. Marketers can investigate these matters further and identify such customers so that the brand owner and marketers can develop appropriate strategies accordingly.

Consistency in the brand's attributes, performance and positioning, such as identity, image, and quality, are very important. Special attention and care have to be taken since consumers are very sensitive to these matters; otherwise, they will lose business very quickly. This is revealed by the following result. After thinking of unethical news about the the brand owner, 39% of respondents changed from perfect positive balance (+ + +) to negative balance (- - +) meaning that the respondents do not like the brand owner after receipt of negative news; they would no longer like the brand, but think the brand owner and the brand are highly related. All these contributed to a negative attitude towards the brand owner and the brand.

When asked for the reason, they stated that they changed their view because they now think the brand owner was unethical or willing to harm a third party, (may be to the serious extent of murder,) so they do not like the brand owner, since the brand owner is highly related to the brand, therefore they do not like the brand. This serves as a very strong reminder to practitioners or brand owners that they have to pay attention to every aspect, not just for the brand, but also for themselves. The managerial implications of reputation risk have already been discussed in Section 7.3.3.1 and so they are not repeated here.

On the other hand, results clearly show that some consumers hold different standards when evaluating or perceiving brand owner. They are more lenient in their perception when it is concerning the personal life of the brand owner himself or herself. When the brand owner has done something unethical, around 27% of the respondents maintain their loyalty and still like the brand owner and the brand. They value the talent of the brand owner and respect the selection of personal lifestyle of the brand owner.

Similar to findings of this research study, when there is bad news concerning the brand owner, though the majority of consumers changed their perception and came to dislike the brand, some customers remained 'loyal': they may

restructure their perception by applying Heider's differentiation principle. This is illustrated by the appearance of the website www.savemartha.com, with 24362 signed petitions¹⁸, to endorse the Pardon Martha Stewart Petition and a campaign to buy a share of Martha Stewart as gifts by her fans.

This shows that for the case of Martha Stewart, the brand owner has an impact on the brand. Marketers have to think of ways to create an emotional bond with the brand owner and increase the loyalty of the customers. Loyal customers help to build and sustain the brand. In the case of Martha Stewart, a financial scandal led to a tremendous drop in share prices (Stein 2004). However, her 'loyal' customers signed the petition and supported the 'buying a share of Martha Stewart' campaign, thereby helping to sustain the brand.

Sentiment perception of the brand owner is positively associated with the sentiment perception of the brand. When consumers like the brand owner, they like the brand. The brand owner can utilize his or her own self to position, promote, and advertise the brand, facilitate new product development and brand extension. These matters were covered in Section 7.2.3 and are not repeated here.

7.6 Influence of Personality on OCB Model

One of the aims of this thesis was to test the proposition that perceived personality influences brand owner-consumer-brand relationships. Results from this study supported the following hypotheses statistically, namely **perceived personality of the brand owner is associated with the perceived personality of the brand; when the perceived personality of the brand owner is similar to the brand, the brand owner reinforces the brand; when the consumer likes the brand, the perceived self-personality of the consumer is associated with the perceived personality of the brand; and when the consumer likes the brand, the brand shows the consumers' own personality.** Due to cultural differences, a Chinese Brand Personality Scale

¹⁸ www.petitiononline.com/mod_perl/signed.cgi?pardonms&l

(Chan, Saunders, Taylor, and Souchon 2003a,b; also see Chapter 4) was developed and validated for this study. The theoretical explanations, research implications and implications for practitioners are discussed in this section.

7.6.1 Theoretical explanation of influence of personality

Following Aaker's (1996) model, a CEO is one of the non-product-related attributes that shapes a brand personality. Respondents did perceive that the personality of the brand owner was associated with the perceived personality of the brand as shown by the correlation results. Brand owners of these international designer labels shape brand personality and influence consumers' perceptions of the brand. This confirms Biel's (1992) finding that the image of the maker of the product (corporate image) is one of the components of brand image.

In this study, the brand owner of these international designer labels is the crucial maker of the product for these brands, and is one of the components of brand image. This study added to existing knowledge that when consumers perceive the personality of the brand owner to be similar to that of the brand, the brand owner reinforces the brand. Over 68% of respondents agreed with this and this shows that the brand owner is indeed playing an active role in reinforcing the consumers' perceptions of the brand. One important point is that the congruent perceptions are to be in the minds of the consumers for both the brand and the brand owner.

In common with the studies reviewed by Sirgy (1982), respondents of this study seek brands that are congruent with their own personality and use the brand's personality to help define both for themselves and for others their sense of self (Belk 1988). Over 70% respondents agreed to the statement of the brand they liked that 'this brand shows my own personality'.

Respondents' perceptions of their own self-personality, perceived personality of the brand owner and perceived personality of the brand are collected using the developed Chinese Brand Personality Scale. Over 74% of their responses show

that the self-perceived personality of the consumers is similar to the consumer perceived personality of the brand.

Consumers' perceived self-personality is positively associated with consumers' perceived personality of the brand. This is a positive dyad as in HBT (Heider 1946, 1958). Consumers' perceived personality of the brand owner is positively associated with the perceived personality of the brand. This is another positive dyad. There are more balanced triads of the two adapted personality models derived in this study showing that Heider's Balance Theory is also applicable in explaining personality's influence on the brand owner-consumer-brand relationship. For the brand that consumers originally liked, over 65% have triple positive perfect balanced mode. This means consumers' perceived self-personality is similar to the perceived personality of the brand and that of the brand owner. 11.8% having (- + +) mode meaning, which indicates that though the perceived self-personality of the consumers is different, their perceived personality of the brand and that of the brand owner are similar.

In this study, a general Chinese Brand Personality Framework was developed by the modified imposed-etic approach (as shown in Chapter 4) and traditional method. It was found that there are both similarities and differences between a Chinese brand personality framework and those of America, Japan and Spain. Similarities and differences are highlighted below and then implications for marketers are discussed in the next sub-section.

As shown in Chapter 4, Chinese Brand Personality Framework characteristics (competence, excitement, sincerity & fascination) are similar to the first four of the American Framework (sincerity, excitement, competence & sophistication), although the traits are not identical. Dimension 1 represents competence with traits like 'reliable', 'secure', 'hard working', 'intelligent', 'successful', 'confident', 'leader' that are also markers in the competence dimension of the American scale. The second dimension represents excitement, with traits like 'exciting', 'trendy', 'daring', 'up-to-date' that are also markers in the

excitement dimension in the American scale. The third dimension represents sincerity with the traits 'sincere', 'cheerful', and 'family-oriented'. These also appeared in the sincerity dimension of the American scale. Dimension four is similar to the American sophistication dimension though it is called fascination. Both of them have the traits 'glamorous' and 'feminine'.

One dimension, which appeared in the original Aaker (1997) study but is absent from the Chinese Brand Personality Framework, is ruggedness: 'rugged', 'tough', 'western'. This absence could be because of the social norm of 'non-aggression' (Lew 1998). Also, Chinese are influenced by the doctrine of the *Way (Tao)*, the doctrine of *Mean* and emphasizing politeness and harmony (Yau 1988, 1994). The doctrine of *Mean* urges individuals to avoid competition and conflict to maintain inner harmony (Hsu 1947) and adopt a non-assertive approach to conflict resolution. Chinese believe that man should learn how to adapt to nature in order to reach harmony instead of trying to overcome and master it (Chan 1963). Chinese also conform to *Li*, meaning propriety, emphasizing politeness, gentleness and obeying rules (Jarvie and Agassi 1969). 'Tough' and 'rugged', have rather undesirable lexical meaning in Chinese, and are opposite to desirable attributes for noble persons such as 'gentle', 'polite', and 'elegant' in China; therefore they are not as likely to be endorsed and associations are often discouraged.

The Spanish, with Latin traditions, are perceived to be quite different from the Chinese, so it is unsurprising that dimensions and traits vary between these countries. The passion dimension in the Spanish Brand Personality Framework clearly reveals their outwardly communicated emotion, such as that displayed in the Flamenco. This dimension is missing in the Chinese Brand Personality Framework which was developed in this research because Chinese believe in modesty, self-effacement and are cautious (Bond 1991). Self-restraint is highly valued and self-protection taught by parents in very early childhood (Bond 1996).

Although both Japanese and Chinese have Confucian and Buddhist influences, there are differences in the dimensions. Traits in the excitement and competence dimensions of the Japanese Brand Personality Framework are quite different from those of the Chinese. In the Japanese competence dimension, there are traits like 'patient', 'tenacious' and 'masculine'. The trait 'masculine', which appeared in the competence dimension, seems to be in line with men responsible for working outside in the Japanese tradition. 'Patient' and 'tenacious' traits are cultural values. They are consistent with the Japanese notion of "*gambari*" meaning perseverance, inner strength and ability to endure hardship (Aaker 2000). In the Chinese competence dimension, 'hardworking', 'intelligent', 'successful', 'independent', and 'leader' traits are in line with Chinese cultural value systems of high social status, surpassing others in achievement, gaining respect from others, and having authority and power reference (Bond 1996). The trait 'well-mannered' is in line with the Chinese cultural tradition of modesty, and politeness. The Japanese peacefulness dimension is not available in the Chinese framework though the trait 'peaceful' appeared in the Chinese sincerity dimension. Traits like 'talkative', 'shy', 'dependent' and 'naïve' seem to be culturally specific to Japan. The trait 'dependent' is actually in line with the Japanese strong sense of belongingness, *sō*-centrism and 'great mother' principle (Kumon 1982).

7.6.2 Research implications of influence of personality

This study clearly tested and confirmed the influence of personality in the brand owner-consumer-brand relation setting. Results also confirmed previous findings that consumers seek brands that can best present their own personalities. Contributions of the study are that the perceived personality of the brand owner is associated with the perceived personality of the brand; and when the perceived personality of the brand owner is similar to that of the brand, the brand owner reinforces the brand. Building on the existing theory, two adapted balance models, namely the projected personality balance model and the abstract personality structure, were constructed and tested. Further

research can be conducted to further test the applicability of these two adapted models.

The Chinese Brand Personality Scale was developed in this study using the modified imposed-etic approach (see Chapter 4). The focus of the developed Chinese Brand Personality Scale was to validate it culturally to be used in this study to measure consumers' perceptions of their self-perceived personality, brand owner's personality, and brand personality. To serve the purpose, the modified imposed-etic approach was used to develop the scale. Therefore, no focus group discussions were conducted to investigate the availability of cultural specific items if the emic approach was taken. The traditional method was used to validate the scales instead of confirmatory factor analysis (CFA) due to the fact the no specialized computer programme is required and LISREL and the traditional approaches may not necessarily yield substantially different conclusions (Steenkamp and van Trijp 1991). The final scale was specific to this study with traits appropriate to evaluate the personality of the brand owner, the brand and the consumer. Further research on brand personality can be conducted using the emic approach and expanding the research into Greater China.

7.6.3 Implications for practitioners of influence of personality

Personality was found to have an impact on consumers' brand perceptions. Consumers use brand to express themselves and seek brands that best present themselves. This study also found that there are cultural differences in brand perceptions, that is the same trait may have different meanings in different culture and different traits are found in different cultures. Chinese consumers are highly aware of brands (Melewar, Meadows, Zheng, and Rickards 2003; Tai and Tam 1997). Practitioners have to pay special attention to marketing when personality is involved.

Marketing implications for certain brands that focus on ruggedness, such as Marlboro, are of interest to explore. Should the advertising campaign remain

consistent over time and across modes when advertising in foreign countries? Such an advertising campaign would aim at increasing associations (e.g. ruggedness in Japan), rather than shifting the meaning of the brand (e.g. imbuing Marlboro with less rugged but more exciting associations in Japan) or increase diagnosticity of the associations (e.g., attempting to make ruggedness more important in Japan) (Aaker 2001). The trait 'masculine' is in the Japanese competence dimension, so an advertising campaign can emphasize masculine aspects such as, confident, responsible, energetic and determined.

For the Chinese, the American Western cowboy does not necessarily need to be rugged and tough. He can be a well-mannered, intelligent and reliable cowboy leader. The advertising campaign can emphasize the fact that he is intelligent, a leader, reliable, successful, confident, outdoorsy, free, trendy, imaginative and well-mannered. Marlboro Classics, the brand with the American Western cowboy image and more broadly American lifestyle (Chan 2002) also has urban and fancy lines with emphasis on good quality in construction and material. The advertising message for Philip Morris' Marlboro Man is more than just a cowboy selling cigarettes (Camargo 1987). It is an Aristotelian aesthetic abstraction of the Twentieth Century David symbolizing individualism, independence, efficacy, reason and capitalism (Vacker 1992), neither 'rugged', nor 'tough'. This approach can also be applied when promoting this brand in China.

In addition, as revealed by the Chinese Brand Personality Scale, the competence dimension is the most important dimension, and this shows it is essential to consider the following attributes like 'successful', 'competence', 'intelligent', 'leader', etc when planning for brand positioning, as well as advertising messages for the China market. These traits are in line with Chinese cultural value systems of high social status, surpassing others in achievement, gaining respect from others, and having authority and power reference (Bond 1996). These are the aspects one has to emphasize when marketing in China.

The recent success of Li-Ning, the sports good brand developed by China's successful 'Prince of Gymnastics' Li Ning is a very good example. The Li-Ning brand is the most successful home-grown sporting goods enterprise in China with 600,000 stores-within-stores and over 2,000 sales outlets in 90 percent of Mainland cities. Li Ning is the top sports brand in Chinese Mainland. It sells 50 percent more in revenue terms than Nike, which is the number two, with Adidas a close third.

The brand owner is very competent and successful in the area of sport. Mr. Li Ning was elected as one of the "World's Most Excellent Athletes in the 20th Century" by the World Sports Correspondent Association. He won 3 gold, 1 silver and 1 bronze Olympic medals; 2 gold, 5 silver and 4 bronze medals in the World Championships and 9 gold, 2 bronze medals in World Cups in his career as an athlete (Agencies 2003).

The brand owner has the personality traits of being confident, successful, a leader, energetic, youthful, cheerful and glamorous. The first three traits belong to the competence dimension and the fourth and fifth belong to the excitement dimension in the Chinese Brand Personality Framework. These are highly valued traits for the Chinese. The personality traits of the brand owner can easily be translated to the personality traits of the brand. Consumers easily associated the Li-Ning brand with the brand owner Li Ning.

He is a successful competent expert in sport. He understands sports, he is confident, he is successful and he is a leader. Consumers believe in him and his expertise and link all these positive attributes of the brand owner to the brand. They believe that the products from this brand developed by him should perform well in sport. Real product value and word of the mouth recommendations are also important in the China market (Melewar, Meadows, Zheng, and Pickards 2003).

The Li-Ning brand is viewed by consumers as a value-for-money brand. Whereas Nike retails its footwear at 80 to 150 US dollars, a similar Li-Ning

product sells for 32 dollars (Agencies 2003). This offers an explanation for the success of the brand in the China market. Li's success has also encouraged a number of former and current Chinese sports stars, such as table tennis players Deng Yaping and Kong Linghui, to establish their own brands (Agencies 2003).

7.7 Regression Model

Hierarchical multiple regression with interaction terms is the modified method adapted from Greenwald's model and used to study the applicability of the Balance Theory in brand owner-consumer-brand relations. This method was applied to test the application of the theory as well as the model.

Surveyed results of consumers' perceptions of both their liked brand and disliked brand supported the theory that the consumer's perception of the liked brand is a multiplicative function of the consumer's perception of brand owner and owner-brand relationship.

When testing this model with consumers' liked brand, the main-effect model alone can fully explain consumers' perceptions of the original liked brand as it accounted for substantial variance in the criterion, the coefficient b_1 of the interactive term is positive in Step 1 and there is no statistically significant additional variance explained by Step 2. In addition, the estimate of b_1 is also positive in Step 2. This implies that the consumer's perception of the brand is determined by the interaction between the consumer's perception of the brand owner and the brand owner-brand relationship. So the predictive model of the brand is $B = b_0 + b_1(O \times Obr) + e$.

Since the interaction term can fully explain the model, meaning that all the triads are balanced, this supports not only the applicability of Heider's balance theory in the brand owner-consumer-brand relation, but also the applicability of the modified Greenwald model in the brand owner-consumer-brand relation.

Consumers' perceptions of the brand owner as a multiplicative function of their perceptions of the brand and of the brand owner-brand relationship; as well as consumers' perceptions of the brand owner-brand relationship as a multiplicative function of their perceptions of brand and of the brand owner are also tested with their liked brand and there are more balanced triads than non-balanced triads in the brand owner-consumer-brand relationship. However, the interaction terms in Step 2 are only weakly positive and are not statistically significant. This shows that consumers' perception of the brand as an interaction term of their perception of the brand owner and the owner-brand relationship has much stronger results than consumers' perception of brand owner and owner-brand relationship as the interaction term of the other two.

This implies that consumers' perception of the brand is strongly determined (influenced) by their of the brand owner and the owner-brand relationship in the case of the originally liked brand. This means that the brand owner has a very strong impact on consumers' perception of the brand. Changes in the brand owner's behaviour will have an impact on consumers' perception of the brand. Consumers' perception of the owner-brand relationship is also influential.

However, consumers' perception of the brand owner is weakly explained by their perception of the brand and the owner-brand relationship, meaning that a change in the brand will have little impact on consumers their' perception of the brand owner. Consumers' perception of the brand owner-brand relationship is weakly explained by their perception of the brand and brand owner, meaning that changes in the brand owner's behaviour or changes in the brand have little impact on the consumers' brand owner-brand relationship.

7.7.1 Research implications of regression model

The mechanism of the predictive regression model $B = O \times Obr$ is based on simple multiplicative models: '+' * '+' = '+'; '-' * '-' = '+'; '+' * '-' = '-'; '-' * '+' = '-'; and '0' * + = '0' that either have triple positive balanced mode or modes where there are two negatives and one positive. Results in this study using this regression model generally supported both the theory and the

hypothetical model. However, the results failed to detect the presence of the extreme antipathy mode or the dominant balanced modes.

The extreme antipathy mode has a triple negative (- - -), and this mode cannot be worked in the multiplicative mechanism. However, it has not been detected by the regression model. In addition, the regression model cannot detect the dominant modes which occurred in the results. However, a very simple traditional method, frequency distribution, revealed these characteristics. This implies 'Keep It Simple and Straightforward'¹⁹, 'take it easy initially and describe the data'²⁰, 'selection of analytical tools based on the need of problem solving instead of technique oriented'²¹, and 'application of hierarchical regression technique with care'²² are principles that should be remembered.

7.7.2 Implications for practitioners of the regression model

The results of the regression models show that the consumers' perception of the brand is strongly determined by both the consumers' perception of the brand owner and the owner-brand relationship. This further confirms the analysis provided in the previous sections, which demonstrates that the brand owner has a strong impact on the consumers' perception of the brand. Strategies suggested above will not be repeated here.

However, the regression results suggested that the consumers' perception of the brand owner and that of the owner-brand relations are weakly explained by the other two factors. This implies that consumers' perception of the brand owner and the owner-brand relationships are not easily changed by changes in the brand. Marketers can plan strategies in branding more freely. Although results show that changes in the brand will have little impacts on consumers' perception, care has to be taken in maintaining and delivering coherent images and brand promises to the consumers.

¹⁹ KISS is the principle mentioned by Prof. John Saunders.

²⁰ Diamantopoulos & Schlegelmilch (2000)

²¹ Hooley and Hussey (1999)

²² Greenley (1999)

7.8 Scale Decay

The fashion proneness scale was developed in this study based on previous published similar fashion involvement and fashion conscious scales. Each of these scales was used to evaluate similar, and part of, the construct. In addition, when looking into the items of the scale, it was found that some of the words used had different meanings in the present English language. For example, the word 'swinger' when the scale was constructed, this word meant fashionable and avant-garde. However, the present meaning is changing partners.

The hedonic and utilitarian shopping scale was also validated and developed because of the change in context. When the scale was developed it was based on a particular shopping trip. However, it is general shopping conditions that were tested in this study.

7.8.1 Research implications of scale decay

The original plan of the study was to use available scales as far as possible. However, the need for validating and developing the fashion proneness scale and hedonic-utilitarian scales showed that it is necessary to check the current meaning of words and items carefully as well as the appropriateness in the context of application. It is better to pre-test the scale and confirm its validity before administering it for the study.

7.8.2 Implications for practitioners of scale decay

Awareness of the fact that the meaning of a word may change over time is useful for practitioners. When they structure their strategies or promotional campaigns, care should be taken to select the appropriate word and trendy styles for the targeted audience. The importance of the context is also a useful reminder to the practitioners, particularly when they are targeting different market segments. When marketers are targeting different countries, special additional care has to be given to cultural differences.

7.9 Respondents' Characteristics

Respondents to this study are consumers who wear clothing of the first or diffusion lines of international designer labels. In addition, they are able to name different designer labels they like and the design directors of these labels. Consumers that only buy the accessories or cosmetics lines of these labels were excluded from this study.

Findings from this study rejected the following hypotheses. **High fashion perception consumers are more sensitive to the brand owner, high self-monitors are more sensitive to the brand owner, high hedonic shoppers are more influenced by the brand owner.** This is contrary to previous research findings (Snyder 1974; Snyder and Cantor 1980; Snyder and DeBono 1985; Davis and Lennon 1985; Snyder and Gangestad 1986; Browne and Kaldenberg 1997; Auty and Elliott 1998; Sullivan and Harinish 1990; Lennon, Davis, and Fairhurst 1988) that clearly showed differences in consumer behaviour between high self-monitors and low self-monitors; between people with different fashion proneness levels; as well as different hedonic-utilitarian levels.

One of the possible reasons is that these respondents are having their fashion proneness scores, hedonic and utilitarian shopping scores, and self-monitoring scores bunched together in a 6 point Likert scale (see Tables 6.73 to 6.75)²³. The methods used by previous researchers to divide respondents into groups by their responded scores into either two groups (Snyder 1974, Snyder and Monson, 1975) or three groups (Auty and Elliott 1998). Respondents' responses were separated into two groups using the means instead of the median (Snyder 1974) in this study as the mean is having a more distant value than the median. Another method is using the 33.3rd percentile and 66.7th percentile scores to separate respondents into three groups and just comparing the lowest group with the highest group to see if there are differences between high and low levels. However, all results of this study show insignificant differences between the high and low self-monitors, between respondents with

²³ Fashion proneness scores are in a range from 4 to 5; hedonic and utilitarian shopping scores are bunched around 3.6 to 4.4 and self-monitoring scores are bunched in a range of 3.69 to 4.07

different fashion proneness levels and hedonic-utilitarian levels may be due to the characteristics of the respondents.

7.9.1 Research implications of respondents' characteristics

As demonstrated in the previous section and in Chapter 3, respondents in the study belong to the segment of consumers who are customers of the ready-to-wear and diffusion lines of these luxury international labels. In addition, they are able to name the designers or design directors of these international labels. These consumers are already within a well-defined sub-segment of the luxury fashion market. Results show that scores of fashion proneness scale, self-monitoring scale, as well as, hedonic and utilitarian shopping levels of the respondents were clustered together.

This shows that these respondents are appropriate samples for the study; however, they may not be the appropriate sample for analyzing the differences in buying behaviour of, for example, high and low self-monitors. Samples for high and low self-monitors are generally university students, not a specific market segment. In addition, the method of defining high and low self-monitors are sample dependents using mean, median or the 33.3rd percentile and 66.7th percentile to separate groups instead of a definite score. As a result, when scores from respondents are close together, the differences in behaviour are not statistically significant. For example, at a luxury car show, the participants are all interested in luxury cars, so it is appropriate to study their attitude towards luxurious cars; however, they may not be the most appropriate sample for studying different consumer behaviours in buying ordinary cars, or shopping in supermarkets.

Consumers of these labels can be divided into three main groups, namely opinion leaders, general professionals and 'Tai Tais' the wealthy housewives. During the data collection period, the core group of respondents was comprised of professionals. Further research could usefully target the behaviour of opinion leaders and the 'Tai Tai'.

7.9.2 Implications of respondents characteristics for practitioners

This study clearly shows that the fashion proneness scale, self-monitoring scale and hedonic-utilitarian scales cannot be used to further segment this market segment. Results from this study are mainly applicable to the professionals. All strategies mentioned are also only applicable to these consumers. As mentioned in the previous section, further study should be conducted to find out about behaviour for opinion leaders and 'Tai Tais' so as to structure appropriate marketing strategies.

7.10 Summary

In this study the impacts of brand owner on consumers' brand perception have been conceptualized. A Brand Owner-Consumer-Brand Relation Model (OCB Model) was developed and validated based on Heider's Balance Theory. Dominant balanced modes (+ + +) and (- - +) were found in the static OCB Model. The dynamic part of the OCB Model was also supported. In addition, the mode of extreme antipathy was discovered. Theoretical explanation, research implications and implications for practitioners were discussed.

In particular, brand owner was found to have an important role in consumers' brand perception and can facilitate brand positioning, brand extension, new product development, advertising, promotion, and integrated marketing communication. Brand owners and marketers have to think about the reputation risk and situations when the brand owners step out of the business if their strategy is to build a brand portfolio centered around the brand owner.

Different actions of the brand owner were found to generate different reactions from the consumers. Personality was also found to have an influence on the OCB Model and their implications have been discussed. Respondents to the study were found to be a sub-segment of the market and, therefore, could not be further segmented by different scales. In the next chapter, the conclusion of the study, the limitations of this research, managerial implications and areas for future research will be discussed.

Chapter Eight

Conclusion

8.1 Overview

This study has examined the applicability of Balance Theory (Heider 1946, 1958) in the brand owner-consumer-brand relation setting. The scope of the study is international designer labels with which the original founder is still actively involved as the Creative Director of the brand. The sample population is consumers who had bought apparel from the ready-to-wear or diffusion lines of these labels and are able to name the Creative Director of the label they liked. The impact of brand owner on consumers' brand perception has been conceptualized. Hypotheses drawn from literature and discovery oriented approach were developed and tested. On the basis of these results, several major conclusions can be drawn.

This chapter consists of five major parts: the main conclusions arrived at in this investigation, the limitations of the study, implications for future research, possible options for further research and the implications for practitioners.

8.2 Major Conclusions

This study has extended previous consumer research studies by applying the Balance Theory (Heider 1946, 1958) in the brand owner-consumer-brand relation setting using quantitative data. In addition, extents of liked and disliked (graded data) were investigated instead of dichotomous data.

The hypothesized brand owner-consumer-brand relation model (OCB Model) has been tested and validated. In common with the Balance Theory proposed by Heider (1946, 1958), there are more balanced than imbalanced triads in the relationship between the brand owner, the brand and the consumers in both the liked and disliked static conditions. Consistent with the dynamic of the Balance Theory, as predicted by Heider, when we destroyed the original balanced state in the OCB Model respondents restructured new balanced triads. Out of the restructured triads, there are more balanced triads than imbalanced triads. These show clearly that Heider's Balance Theory is generally applicable in the relationship between the brand owner, the brand and the consumers.

Although the study was designed to test the validity of the hypothesized model, the actual results uncover the following insights that go beyond the prediction of Heider's Balance Theory.

A dominant triple positive balance mode (+ + +) can be found in consumers' originally liked brand. This clearly shows that consumers who bought items from the brand liked the brand owner, liked the brand, and believed that the brand owner and the brand are related.

A dominant negative balance mode (- - +) is found in consumers' originally disliked brand. This indicates consumers are very certain that they dislike the brand, dislike the brand owner and think the brand and the brand owners are related.

The triple negative mode, the mode of extreme antipathy (- - -) is also one of the common outcomes in this study. Although this mode is somewhat ambiguous, some

researchers have suggested it would be dissolved, some classified it as imbalanced, while some classified it as the fifth balanced mode. It exists when consumers' perceptions were disturbed by negative news concerning the brand owner they originally liked. In addition, it has increased in occurrence after the contrasting news of the brand owner for the brand they originally disliked.

Consumers' responses to contrasting ethical and non-ethical related news of their original liked brand owner are different. Non-ethical related news used in this study IS more brand related news, whereas ethical related news is more related to the personal affairs of the brand owner. When consumers' perceptions of the relationships in the OCB Model are disturbed by non-ethical related news of the brand owner, the majority of the consumers change their perceptions immediately from like to dislike. However, when the negative news is ethically related, consumers are more lenient towards the brand owner. Some of them maintain the triple positive balance mode. These consumers may be using Heider's differentiation principle, denial principle or 'bolstering' mechanism to rationalize their perceptions.

It is easy to destroy a brand; however, it is very difficult to rebuild a brand. Just thinking of the negative news of the brand owner immediately changed their perceptions of the brand they originally liked from triple positive perfect balanced mode (+ + +) to negative balanced mode (- - +). However, when positive news concerning the brand owner was introduced to the brand they originally disliked, it was very difficult to change their perception from dislike to like.

Consumers have separate views on the brand owner and the brand. Their attitude towards the brand is associated positively with their perceptions of the values and opinions of the brand. However, it may not be the case for attitudes toward the brand owner. Consumers think that the brand suits their lifestyle, fits their taste, is managed with the same philosophy they hold and shows their own personalities. However, they do not think they have the same lifestyle, similar personality or share similar values and opinions with the brand owner. Consumers think they are similar to the brand owner in the sense that they have similar taste.

This group of consumers is knowledgeable, has strong purchasing power and has taste. They liked the talent and character of the brand owner and selected brands that were congruent with their own identity. When a brand owner changed his or her identity or style, consumers would think they had also changed the style and identity of the brand and so they changed their perception of the brand and the brand owner. They are very conscious of the brand owner maintaining the quality level and the design standard of the products of the brand. These labels are very expensive and belong to the luxury market. Consumers show their prestige and status by linking with these labels. It is important for them be shrewd about their purchases and they only like to be associated with people of similar social status and taste. They are concerned at the prospect of the brand owner over-expanding the brand as they do not want their favourite brand to be extended too loosely into inappropriate areas with the consequence that the brand equity becomes diluted.

Contrary to Heider's findings, simply liking may not definitely lead to unit relation (meaning going or belonging together) in the brand owner-consumer-brand relation. As revealed by this study, the fact that consumers like the designer may not necessarily lead to brand purchase, nor visits to the store. However, when they perceived the designer was able to develop items that suited their lifestyle, they bought items from the brand. Likewise, consumers liking the brand may not lead to unit relation with the brand owner. Even in cases where the consumers like the brand, taking photographs and getting autographs from the designer (brand owner) are not described as desirable by the majority of the respondents. However, they reported that they would like to meet the designer.

Consumers perceived the personality of the brand owner to be associated with the perceived personality of the brand. The brand owners of these international designer labels shape brand personality and influence consumers' perceptions of the brand. This study added to the existing knowledge that when consumers perceive the personality of the brand owner to be similar to that of the brand, the brand owner reinforces the brand. When consumers like the brand, the brand shows the

consumer's own personality. Consumer's perceived self-personality is associated positively with consumers' perceived personality of the brand.

Heider's Balance Theory is also applicable in explaining personality influence on the brand owner-consumer-brand relationship. There are more balanced triads of the two adapted personality models. For the brand that consumers originally liked, over 75% of the respondents perceived that the personality of the brand and that of the brand owner were similar. Over 65% had triple positive perfect balance mode suggesting that their perceived self-personality was similar to the perceived personality of the brand and that of the brand owner.

The Chinese Brand Personality Framework was developed to accommodate cultural differences. The dimensions of competence, excitement, sincerity and fascination are similar to the first four of the American Framework (sincerity, excitement, competence & sophistication), though the traits are not identical. One dimension, which appeared in the American Framework but is absent from the Chinese Brand Personality Framework, is ruggedness, probably because of the rather undesirable lexical meaning in Chinese, and its negative connotations relative to the attributes considered desirable for noble persons in China. Therefore they are not as likely to be endorsed and associations are often discouraged. A Chinese Brand Personality Scale was developed and validated in this study.

The Spanish, with Latin traditions, are perceived to be quite different from the Chinese. The passion dimension in the Spanish Brand Personality Framework clearly reveals their outwardly communicated emotion. This dimension is missing in the Chinese Brand Personality Framework because Chinese believe in modesty.

Although both Japanese and Chinese have Confucian and Buddhist influences, there are differences in the dimensions. Traits in the excitement and competence dimensions of the Japanese Brand Personality Framework are quite different from those of the Chinese. The Japanese peacefulness dimension is absent from the Chinese framework though the trait 'peaceful' appears in the Chinese sincerity

dimension. Traits like 'talkative', 'shy', 'dependent' and 'naïve' seem to be culturally specific to Japan.

Scales become outdated over time. Similar fashion involvement scales and fashion conscious scales were found. Each of these scales has evaluated similar parts of, but not the whole, construct and some included words that had different meanings in the English language. Scales may become outdated over time and cannot be used indiscriminately. As a result, a fashion proneness scale was developed in this study. In addition, a generic Hedonic and Utilitarian Shopping Scale was validated for the present study as the previous one was based on a particular shopping trip.

Respondents are consumers of the ready-to-wear and diffusion lines of these international designer labels and they were able to name the brand owner of the label that they like. They are consumers in the sub-market segment of the luxurious fashion labels and they achieved high and clustered scores in their fashion proneness, self-monitoring, as well as hedonic-utilitarian shopping levels. This study shows that these respondents cannot be further segmented using these scales. The regression model $B = O \times Obr$ generally supported the theory and the hypothetical model, yet it does not recognize the availability of the triple negative (- - -) extreme antipathy mode and the dominant balanced modes. However, a very simple traditional method - frequency distribution - revealed these characteristics. This implies 'Keep It Simple and Straightforward'¹, 'take it easy initially and describe the data'², 'selection of analytical tools based on the need of problem solving instead of technique oriented'³, and 'application of hierarchical regression technique with care'⁴ are principles that should be remembered.

¹ KISS is the principle mentioned by Prof. John Saunders.

² Diamantopoulos & Schlegelmilch (2000)

³ Hooley and Hussey (1999)

⁴ Greenley (1999)

8.3 Limitations of the Study

The approach taken in this research was to test the applicability of the Balance Theory (Heider 1946, 1958). This approach provides a simple, three-point model and is able to test the dynamic part of consumers' perception of the brand when there are different types of news concerning the brand owner. This study only tested the positive (+) and negative (–) perceptions and did not test the neutral perceptions.

As the data collection period coincided with the SARS epidemic, upon the request of the respondents, a few of the interviews were conducted via e-mail instead of face-to-face. Respondents were limited by the scope of the study as well as their availability. The scope of the study limited the sample population to the consumers who had bought apparel items from the ready-to-wear or diffusion lines of the international designer labels whose original founders were still active as the Creative Directors of the brand. In addition, these consumers were able to name the designer of the brand they liked. Opinion leaders and 'Tai Tai' wealthy housewives were not available during the data collection period and therefore were excluded from this study.

The focus of the developed Chinese Brand Personality Scale was to validate it culturally for this study. It was used in this study to measure consumers' perceptions of their self-perceived personalities, brand owner's personality, and brand personality. To serve the purpose, a modified imposed-etic approach was taken to develop the scale. Therefore, no focus group discussions were conducted to investigate the availability of culture-specific items if the emic approach was taken. The traditional method was used to validate the scales instead of confirmatory factor analysis (CFA) and LISREL. This may have influenced the results, though Steenkamp and van Trijp (1991) commented that it may not necessarily yield substantially different conclusions.

The brands involved in this study are real brands instead of fictitious ones. The sample population is actually their customers. In order to avoid the possibility of a lawsuit case, a modified experimental method was used after consulting lawyers. Originally, it was intended that the experimental method would have a credible,

‘made-up’ story (or stories if there are different scenarios), and then the effects would have been measured and the hypotheses tested, after which the participants would have been debriefed. Since the experiment is related to the ‘brand owner’ of these reputable designer labels, care has been taken to avoid being accused of creating false ‘news’ with potentially undesirable consequences. Following the experimental approach provided in the textbook may have resulted in a lawsuit. As a result, a ‘what if’ experimental approach was taken. There were no expected answers so this did not lead to ‘demand bias’ or response bias.

The scope of this study was limited to the apparel lines of international designer labels. These labels have strong but opposing characteristics. One designer label may have classic elegance minimal characteristics, like Giorgio Armani, while another designer label may have playful wild characteristics like Roberto Cavalli. This may be one of the reasons why there was a dominant triple positive mode result for the brand they originally liked, and a dominant negative balanced mode resulted for the brand they originally disliked. As the focus was the applicability of the theory in the brand owner-consumer-brand relation setting, no analysis of the perceptions and proportions of individual brands was carried out. Further research can be conducted looking into perceptions of individual brands.

In addition, the empirical example provided by Li Ning clearly shows that it was not only brand owners of international designer labels (luxurious brands) that had impact on consumers’ brand perceptions – the brand owners of sports brands (mass brands) also had an impact on the consumers’ brand perceptions. Future research can be conducted to test the model in different product categories and market segments.

Branding is an ongoing topic and there are always new articles and research findings published. Although every attempt was made to update the literature review and keep it current as far as possible, there came a time when it was considered important to cease the literature review and finish the study. As a result, this study is limited by the time period in which the research took place. The areas omitted are, therefore, potential research areas for future studies.

8.4 Implications for Researchers

This study tested the applicability of Heider's Balance Theory in the brand owner-consumer-brand relation setting. Heider, in his interpersonal relation study, has basically defined balanced and imbalanced states, and balanced states are preferred to imbalanced ones. Heider predicts that imbalanced states create tension and the person will re-adjust the perception so as to have a balanced state.

Results generated using both the traditional method and the modified method of hierarchical multiple regression show that the mechanism of Balance Theory worked in the brand setting. There are more balanced triads than imbalanced triads. However, contrary to the findings of Heider, not all the balanced modes are good for the brand.

Balanced modes (+ + +) and (+ - -) are good for the brand. In these modes the consumer's perception of the brand is positive, suggesting possible buying (unit relation) of the brand, whereas balanced modes (- - +) and (- + -) are not very good for the brand as consumers dislike the brand. Although these modes are balanced as per Heider, consumers dislike the brand and what is even worse is that they have no tension to change their perception as they are in balanced mode.

The dominant triple positive balanced mode was found in the consumers' perception of their originally liked brand. Contrary to Carroll's (1977) findings that there will be a less balanced structure with negative bond, a dominant negative balanced mode was found in the consumers' perceptions of the brand they originally disliked. In addition, the triple negative (- - -) mode of extreme antipathy was also found. Further research can be conducted to investigate these phenomena and find out different factors that make consumers like or dislike the brand owner and the brand. In addition, the level of importance of each factor in affecting consumers' preferences for the brand owner, as well as for the brand, can be investigated in future research studies.

This study served as an initial step in investigating a dynamic brand owner-consumer-brand relationship, testing and confirming the prediction of the theory in

the brand setting. As predicted by the theory, when consumers' perceptions are disturbed they restructure and rebalance their perceptions. Results of this study show that consumers are sensitive, changeable and their responses to contrasting ethical and non-ethical related news of their original liked brand owner are different. Further research could investigate different phenomena in more depth, to find out how differently consumers perceive the actions of the brand owner, and the type of unit relation with the brand owner consumers' prefer so as to better understand their responses and reactions.

This study confirms that consumers have separate perceptions of the brand and the brand owner. Further research would be worthwhile to investigate this phenomenon, to find out what are the factors that constitute consumers liking the brand and the brand owner, as well as finding out the strength of different relationships, such as the extent to which consumers' liking the brand owner will lead to liking the brand.

Personality has an influence in the brand owner-consumer-brand relation setting. Similar to previous research, consumers seek brands that can best present their own personalities. Contributions of the study are that the perceived personality of the brand owner is associated with the perceived personality of the brand; and when the perceived personality of the brand owner is similar to that of the brand, the brand owner reinforces the brand. Building on the existing theory, two adapted balance models, namely the projected personality balance model and the abstract personality structure, were constructed and tested in this study. Further research can be conducted to test further the applicability of these two adapted models. The Chinese Brand Personality Scale was developed in this study using a modified imposed-etic approach. The final scale was specific to this study with traits appropriate to evaluate the personality of the brand owner, the brand and the consumer. Further research on brand personality can be conducted using the emic approach and expanded to extend the research into Greater China.

This study used a modified experimental method with 'what if' statements instead of credible 'made-up' stories in order to avoid the potential problems of a lawsuit or 'demand bias'. Other researchers may consider applying this method when studying

real brands. Although the regression model used in this study failed to reveal the triple negative mode or the level of occurrence of different modes, this hierarchical multiple-regression model with residual centering served as a method for studying the consumers' perceptions in the brand setting. The consumer's perception of brand is a multiplicative function of the perception of the brand owner and the owner-brand relation. This means that the consumer's perception of the brand is dependent upon perception of the brand owner and owner-brand relationship. However, consumers' perceptions of the brand owner and the owner-brand relationship do not depend on the other two factors.

Scales become redundant over time, hence it is important to check the validity of the scale before usage. In addition, cultural differences and the context of the scale application should also be considered.

8.4.1 Opportunities for further research

The focus of this research was to look at the brand owner-consumer-brand relationship, particularly the brand owner's impact on this relationship. In this study, only the brand owner's direct impact on the consumers in the cases with founding brand owners was investigated. Empirical knowledge shows that there are different sub-market segments of the brands and three main groups of consumers, namely the opinion leaders (who themselves are also consumers), consumers who are professionals and 'Tai Tai' (consumers who are wealthy housewives). Opinion leaders themselves can also have influence on other consumers and the brand owner may have created different impacts on these groups of consumers that can be viewed separately. When employing the concept of Cartwright and Harary (1956) into the triadic brand relationship with the above considerations, the resulting communicative direction will look like Figure 8.1. The brand owner has a direct communication impact on both consumers 1 & 2. Consumer 1 (C1) is the opinion leader and has impact on other consumers (C2).

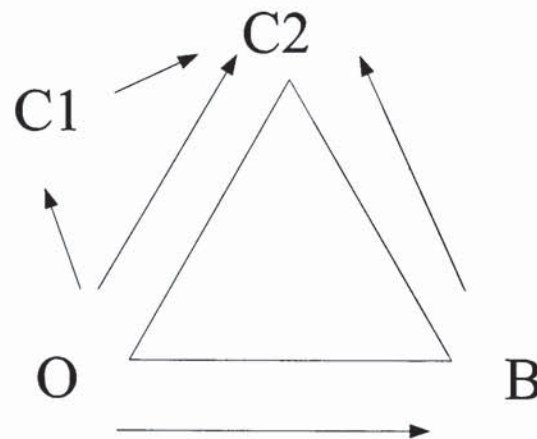


Figure 8.1 Communication direction

There are also many empirical examples where the brand owners are no longer the founders, for example, Donatella Versace for the Gianni Versace brand, and Tom Ford for Gucci. These brand owners have repositioned the brand successfully. In these cases, when the concept of Cartwright and Harary (1956) is employed the model will be like Figure 8.2. Future research can be conducted to investigate the brand owner's impact in this case.

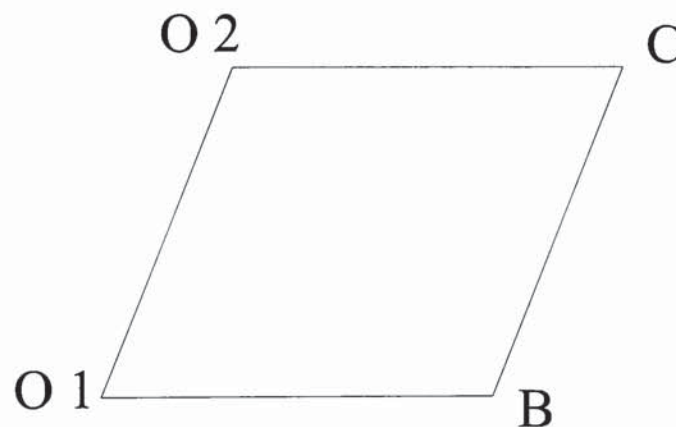


Figure 8.2 Brand relationship with successor to original brand owner

This group of consumers admired the brand owner's expertise and technique. This is also one of the crucial factors in effective celebrity endorsement. Further research can be conducted to link or apply celebrity endorsement and negative celebrity endorsement theory (such as Till 1998, Till and Shimp 1998, Till and Busler 2000, Ohanian 1990) in brand owner research.

In this study, Heider's Balance Theory has been applied to study the relationships between the brand owner, the brand, and the consumer. Further research can be conducted to test Heider's Balance Theory in consumers' perceptions of the relationship between brand of wine, consumers, and the country of origin. Or it can be applied to test voters' perceptions of the relationship between the party leader, voters, and the political party.

8.5 Applications for Practitioners

This study has confirmed clearly that the brand owner has an impact on consumers' brand perceptions and that consumers have dominant liked and disliked brand perceptions.

For the brand that the consumers like, a dominant triple positive perfect balance mode (+ + +) was found in this study. These consumers like the brand owner, think the brand owner and the brand are related, and like the brand. Marketers make use of the triple positive characteristics of consumers' perceptions to market the brand. Brand owners have an impact on **positioning** the brand in the minds of the consumer (Hooley 2004). Their expertise, fame and personality help to position a brand, e.g. Giorgio Armani, and Li Ning. Their activities arouse public interest and increase news coverage. Since the costs of TV advertising, press and magazine advertising are very high, some brand owners are very good at utilizing their own identities to **promote their brands**. Richard Branson of Virgin is a very good example and he himself has generated lots of free publicity. For international designer labels, the brand owner usually appears in person at the finale of the fashion catwalk show to thank all on the catwalk, including the models. In addition, he or she invites celebrities to attend the shows and hosts parties with celebrity guests, important customers and press after the show. These have generated a great deal of press coverage on TV, in magazines and in newspapers.

In Heider's original balance theory (+ + +) mode, a friend of my friend is my friend. A brand owner can also collaborate with movie stars, musicians, and artists to enhance brand positioning, advertising, and promotion. For example, Giorgio

Armani collaborates with Richard Gere and designed his wardrobe. Consumers like Richard Gere, like his wardrobe, so will like Giorgio Armani and so on. Publicity on the part of the brand owner can be enhanced further by appropriate event sponsorships (as discussed in Chapter 7).

A brand owner also facilitates **integrated marketing communications**. Coherent company-wide understanding of the uniqueness of the brand is crucial (de Chernatony and McDonald 2003; Pickton and Broderick 2005). The brand owner, as the centre of focus, communicates the brand vision and essence to different members of staff. The brand owner can easily achieve consistency in brand vision, modification and adaptation to the constantly changing environment and meeting the challenges. His own interactions with different levels of staff member teams enable smooth and coherent transfer of brand values even through changes. For example, Mr. Giorgio Armani participates in the recruitment process of key staff members even for subsidiary offices outside of Italy. He himself works with different staff members and team members whenever there are events bearing his name. Brand vision, and company culture are easily coordinated in his teams. The way he dresses the models for a catwalk performance and his preferences are easily transferred to his staff members. The sales ladies will inform their customers that this is the way he dressed his models.

Liking generates positive perception and may lead to an increase in sales (Biel 1990; Stapel 1991). When consumers like the brand owner they admire his or her talent and expertise. The reputation and expertise of the brand owner can therefore be applied to **facilitate new product development (NPD)**. For example, the brand owner uses his technique of selecting a special technological approach for developing his textile materials for his collection to select ingredients to develop his new cosmetic products, as was the case with Giorgio Armani, who selected Microfil®, an exclusive technological approach transferred from textiles to cosmetics.

The brand owner can make use of his taste, his lifestyle, and his own preference to **extend his brand** easily to different lifestyle brands. For example, Giorgio Armani easily extended his taste for elegance and his demand for high quality simplicity or

minimalism to Armani Casa, his brand for household products including furniture, household linen, etc. In the 'home' he created, he has Armani Fiori, the flower shop and Armani Libri, the book shop. In his kitchen, he has Armani Dolci, the cake shop, and Armani Café, the coffee shop. Based on the success of these brands, he is planning a hotel resort.

Successful brands increase profit returns and many companies change to corporate or household brands because of the communication and financial benefits of a shared reputation (Laforet and Saunders 1999). The brand owners can easily make use of their own resources to create a holistic brand, enable new product development, facilitate brand extension, sustain the brand over time and assist in the advertising, promotion and integrated marketing communication of the brand.

For the brand that the consumer dislikes, a dominant negative balance mode (- - +) has been found. In addition, when consumers dislike a brand owner, they will dislike the brand as they think the brand owner and the brand are related. It is important for marketers to find out the reasons why consumers dislike the brand owner or the brand.

The results of this study suggest that, for the majority of consumers, the actions and activities performed by the brand owner will easily affect a consumers' brand perception and it is very easy to pull down a successful brand but very difficult to rebuild it. In the case of Martha Stewart, the brand owner has nearly everything centered around herself and her name. It is very easy for consumers to link their perceptions of her to her expertise. However, the news of a financial scandal caused her stock price to plummet. The use of the Martha Stewart corporate brand name across a huge array of products and services was an advantage until the bad news broke. Then her bad reputation stretched across the whole range of business activities.

What should be done? Should the brand owner use his or her name as a corporate name to build brands on? Or should brand owners build a 'firewall' between themselves and the brand? Brand owners and marketers have to calculate the

reputation risk and compare the pros and cons of using their own names as corporate names to build brands on. In addition, marketers have to evaluate carefully whether they should build the brand portfolio under the umbrella of the corporate name or whether separate brands should be built.

De-linking the brand from the brand owner may be one of the methods. By promoting the independence of the brand from the brand owner and the good quality the brand offers, marketers may enhance the consumers' perceptions of the brand. These consumers may then think the brand and the brand owner are not that related and so reduce the dissonance of the disapproved actions of the brand owner.

In addition, brand owners and marketers have to prepare for a time when the brand owner may need to step out of the business due to different circumstances. What should brand owners do in order to sustain their brands when they are not around? Mademoiselle Chanel died in 1971 and her brand is still alive. The company sustains the brand on the myth of the brand owner, the logo and maintaining a balance between protecting timeless elements of Chanel's heritage (such as No 5 perfume) and adapting other elements to continue to be contemporary. This may be a reference for brand owners and marketers.

Consistency in a brand's attributes, performance and positioning are very important. Special attention has to be paid since consumers are very sensitive to these matters. Just thinking of negative news concerning the brand owner has already led to changes in perceptions, otherwise, they will lose business very quickly. Consumers hold different standards when evaluating or perceiving the brand owner. Generally they tend to be more lenient in their perceptions when the news is concerning the personal life of the brand owner himself or herself. There are 'loyal' customers that will remain loyal even after hearing negative news. They may restructure their perception by applying Heider's differentiation principle. However, if the news is concerning the brand the consumers' perceptions will change very quickly. This shows marketers have to think of strategies to build 'loyal' customers.

Personality has an influence on the brand owner-consumer-brand relation setting. Consumers seek brands that are congruent to their own personality. There are cultural differences in consumers' brand perceptions. Chinese consumers are highly aware of brands (Melewar, Meadows, Zheng, and Rickards 2003; Tai and Tam 1997) and practitioners have to pay special attention to marketing when personality is involved. When an original advertising campaign encounters culturally opposing personality traits, marketers have to think about whether to use the same advertising campaign across countries and cultures or to use a culturally fitting one.

Competence is a very important dimension in the developed and validated Chinese Brand Personality Scale. Marketers should consider attributes like 'successful', 'competence', 'intelligent', 'leader', etc when planning for brand positioning as well as advertising messages for the China market. Li Ning, the 'Prince of Gymnastics' in China and his sport brand Li-Ning is a very good example.

8.6 Concluding Statement

This research has tested and validated the hypothesized brand owner-consumer-brand relation model. Both the static and dynamic parts of the Heider's Balance Theory have been found to be applicable in the brand owner-consumer-brand relation setting and impacts of brand owner on consumers' brand perception have been conceptualized. Personality has been found to have influence in the brand owner-consumer-brand relation setting and two adapted personality models have been tested and validated.

Actual results uncover insights that go beyond the prediction of the Balance Theory. The dominant triple positive balance mode (+ + +) is found in consumers' original liked brand and the dominant negative balance mode (- -+) is found in consumers' original disliked brand. In addition, the mode of extreme antipathy (- - -) triple negative is found when consumers' perceptions were disturbed by negative news of the brand owner for both brands they originally liked and disliked. There are balanced modes (+ + +) and (+ - -) good for the brand and balanced modes not good for the brand (- - +) and (- + -) though they are balanced. Contrary to Heider's

findings, it was found in this study that simply liking may not definitely lead to unit relation (meaning going or belonging together) in brand owner-consumer-brand relation setting.

Consumers' responses to contrasting ethically and non-ethically related news of their originally liked brand owner are different. Consumers are more lenient towards ethically related news of the brand owner. It is easy to destroy a brand, however, it is very difficult to rebuild it. Consumers have separate views on the brand owner and the brand. Their attitude towards the brand is associated positively with their perceptions of the values and opinions associated with the brand, but they may not be those held by the brand owner. The consumer's liking of the brand is not influenced by not having the same lifestyle, personality, or similar values and opinions as the brand owner. They think they are similar to those of the brand owner in the sense that they have the same taste. This group of consumers is knowledgeable, has strong purchasing power and has taste. They like the talent and character of the brand owner and select brands that are congruent with their identity or personality. They are very conscious of the brand owner changing his or her identity, and maintaining the quality level and design standard of the product of the brand. They are also concerned at the prospect of the brand owner over-expanding the brand. Consumers perceived the personality of the brand owner as being associated with the perceived personality of the brand. Brand owners of these labels shape brand personality and influence consumers' perceptions of the brand. This study extended present knowledge that when consumers perceive the personality of the brand owner as being similar to that of the brand, the brand owner reinforces the brand. When consumers like the brand, the brand shows the the consumer's own personality. The consumer's perceived self-personality is positively associated with the consumer's perceived personality of the brand.

A hierarchical multiple-regression model with residual centering has served to study consumers' perceptions in the brand setting. The modified experimental method, with 'what if' statements instead of credible 'made-up' stories in order to avoid potential lawsuits or 'demand bias', serves as an alternative method for researchers studying real brands. Furthermore, the two adapted personality models can serve as

tools for future study. Scales were found to become outdated over time, and this serves as a very good reminder about the importance of validating instruments for language usage, context and cultural differences. The developed and validated Chinese Brand Personality Scale, Fashion Proneness Scale, and Hedonic-Utilitarian Shopping Scale can serve as useful tools for future research.

Brand owners can easily make use of their resources to create a holistic brand, enable new product development, facilitate brand extension, sustain the brand over time and assist in the advertising, promotion and integrated marketing communication of the brand. However, results from this study show that activities performed by the brand owner will easily affect consumers' brand perceptions. It is very easy to pull down a successful brand, but very difficult to rebuild it. When something happens to the brand owner – such as a bad reputation - the whole range of business will be affected. Brand owners and marketers have to calculate the reputation risk and compare the pros and cons of using their own names as corporate names to build brands on. In addition, marketers have to evaluate carefully whether they should build a brand portfolio under the umbrella of the corporate name or separate brands should be built. Furthermore, marketers have to plan for strategies when the brand owner ceases to play an active role in different circumstances.

Table A. Different applications of Balance Theory **Appendix One**

Studies	Research interest	Subjects	Methodology	Note
Cartwright and Harary (1956)	Express Heider's theory in terms of graph theory		Theoretical paper, using graph theory to state structural balance, clarify concept of positive relation, negative relations and no relation. Extension of theory to N construct	Extend to social systems, sociology <i>Psychological Review</i>
Morrisette (1958)	Interpersonal relationship	600 undergraduate students, 4 different situations and 6 experiments	Experimental study of Cartwright and Harary N-construct graph theory, using 7 point scale,	Extend to social systems, sociology <i>Human Relations</i>
Kogan and Tagiuri (1958)	Interpersonal preference & cognitive organization	77 naval enlisted personnel	Empirical test, ask each one indicate three member crews with whom they like to spend 72 hours free time together, then identify three choices made by each of the other member group	group <i>Journal of Abnormal and Social Psychology</i>
Abelson and Rosenberg (1958)	Symbolic psychological model		Theoretical discussion paper, structure matrix	<i>Behavioral Science</i>
Harary (1959)	Explore mathematical property of Balance Theory		Theoretical discussion paper, extend balance model to more than 3 points.	<i>Behavioral Science</i>

Abelson (1959)	Belief dilemmas		Theoretical discussion paper, modes of resolve balance such as denial, bolstering, etc.	<i>Journal of Conflict Resolution</i>
Rosenberg and Abelson (1960)	Analyse cognitive balancing	82 Yale undergraduates for study one; 72 for study two	Experiment, Using mean ranks and analysis of variance; then using rating scale varied over a range of eleven points and analysis of variance	Parallel to Heider's <i>Attitude Organization and Change</i>
Harary (1961)	Situation in the Middle East		Discussion paper, analyzing situation in the Middle East and the world using signed graphs	<i>Journal of Conflict Resolution</i>
Bettinghaus (1963)	Word meaning	42 students	Experimental, use of verbs 7 point scale with 12 bi-polar items	<i>Journal of Communication</i>
Rodrigues (1967)	Effects of balance, positivity and agreements	44 students	Experiment, 8 abstract triadic relation scenarios presented to the subject, subjects had to rate their feeling and perception of another person's feeling towards the different situations with scales (10-99)	<i>Journal of Social Psychology</i>
Harari (1967)	Applicability in situational and pre-dispositional variables	98 high school students	Experiment, 7 groups of 14 subjects each, 28 Interpersonal Perception Situations (IPS), 14 balanced & 14 imbalanced.	<i>Journal of Social Psychology</i>
Alimaras (1967)	Negative interpersonal attitudes	38 students	Wrote description about a person, $\frac{1}{2}$ - liked; $\frac{1}{2}$ - disliked; 20 bi-polar adjective rating list with 7 semantic differential scales	<i>Journal of Psychology</i>
Davis (1967)	Clustering and structural balance		Theoretical discussion, developed based on graph theory and extended into groups	Sociology, Group <i>Human Relations</i>
Morrisette and Jahnke (1967)	No relation and relation of strength zero	85 students	Experiment, 3 situations, 4 groups. However, failed in experimental design so data not analyzed	<i>Human Relations</i>

Feather (1967)	Attitude discrepancy and group affiliation effects on interpersonal attraction	4 colleges, 8 groups, each from 12 to 19 students	Questionnaire, 6 point scale from -3 to +3 without zero, sign graph and mean score analysis, analysis of variance	group <i>Human Relations</i>
Holland and Leinhardt (1970)	Detecting structure in sociometric data		Theoretical paper, graph, sociological, group structure, transitivity of triads and sociometry.	Sociology, group <i>American Journal of Sociology</i>
Simon and Bernstein (1971)	Self-esteem & received reciprocal liking	129 students	Self-esteem inventory; then listed the names of the five children whom they would like to be in the seventh grade and the names of all the children who they thought would put them down on their lists. Comparison of the high self-esteem group and the low self-esteem group.	<i>Journal of Psychology</i>
Feather (1971)	communication, abstract and perceived structures		Graph theory	<i>Psychological Review</i>
Holland and Leinhardt (1971)	Transitivity in small groups		Theoretical paper, sociological aspects, graph, group performance relationship, deterministic transitive structure, 'cliques'	Sociology, group. <i>Comparative Group Studies</i>
McLemore (1973)	Parent-child relationship		Discussion of relationship based on balance model	<i>Journal of Counseling Psychology</i>
Healy and Stein (1973)	International balance of power in history	Historical records	Used balance theory to explain the interaction between 3 different camps of nations, the imbalance state to analyse the change in relationship	<i>Journal of Conflict Resolution</i>

Lauterbach (1975)	Assessing cognitive conflict	1 subject (theoretically)	7-point scale, base on balance and imbalance triangles to calculate proportion of conflict	<i>Journal of Social Clinical Psychology</i>
Faison (1977)	Observed variety seeking		Discussion paper, comment 'zero' point is not the optimal cognitive balance tension point	<i>Journal of Consumer Research</i>
Anderson (1977)	Problems in using analysis of variance in Balance Theory		Discussion paper, comments on problems in using analysis of variance in Balance Theory	<i>Journal of Personality and Social Psychology</i>
Carroll (1977)	Test of Newcomb's modification of Balance Theory	54 students	Each subject named two liked people and two disliked people, four discussion group, dichotomized response, frequency percentage	<i>Journal of Social Psychology</i>
Rosenberg and Wolfsfeld (1977)	International conflict and problem of attribution	212 students from 10 different Middle East countries	Questionnaires to students, double-blinded coding, chi-square analysis on results	<i>Journal of Conflict Resolution</i>
Moore (1978)	Relationship between countries	New York Times Index	Analysed news records including state visit to code the relationship between countries, positive or negative, and the direction.	<i>European Journal of Social Psychology</i>
Manis (1978)	Cognitive social psychology and attitude change		Discussion paper on balance theory and others.	<i>American Behavioral Scientist</i>

Peterson and Gross (1979)	Consumer attitude, beer	530 undergraduate students	Distributed questionnaire with 5 questions, dichotomized answers, study consumer, another person related to consumer and a product – beer; frequency distribution, chi-square analysis	<i>Business</i>
Wellens (1979)	Interpersonal liking-proximity relationship	48 students	Subjects were asked to estimate their liking for and preferred distancing from a series of imagined others, given their own and the others' attitude toward some third individual. Series of ANOVA and correlation analyses and tetrahedron model	<i>Journal of Psychology</i>
Newcomb (1981)	Balance as a Group phenomenon	17 students of 1961 studies	Experimental condition, rank 1-16, cluster analysis	<i>Journal of Personality and Social Psychology</i>
Mohazab and Feger (1985)	Developed algebraic formula and applied to POQ triads		Theoretical paper, discussion on the historical development, extended the theory for quantified data, assigning + or – to different data, developed algebraic formula applied to sociometric situation	<i>European Journal of Social Psychology</i>
Krackhardt (1987)	Cognitive social structure	21 respondents	Questionnaire including a complete Cognitive Social Structure, round-robin design, sociogram	Three-dimension network structure, sociology <i>Social Networks</i>

Wright (1989)	Extend to rehabilitation psychology		Discussion paper	<i>American Psychologist</i>
Alessio (1990)	“exchange ratio” for group		Developed “exchange ratio” by combining with social exchange theory.	Groups and social networks <i>Social Forces</i>
von Hecker (1993)	Memory effects of Heiderian Balance	38 students	Experimental approach, different learning stimuli, political statement for the elaboration group, correlation and 2-way analysis of variance	<i>Journal of Experimental Social Psychology</i>
Boswell and Dodd (1994)	Therapeutic value of unconditional positive regard		Literature review, Case study	<i>Journal of Psychology</i>
Kilduff and Krackhardt (1994)	Determinants of reputation in organizational labour market	33 employees in a company	Questionnaire, Self-report of cognitive map, of network links, matrix, Multiple Regression Quadratic Assignment Procedure MRQAP	Social network conditions, <i>Academy of Management Journal</i>
Doreian and Mrvar (1996)	Micro & macro network structures	Data from Newcomb study	Modifying rank data to study reciprocity & transitivity, using graph theory to study group	Social network analysis <i>Social Networks</i>
Carson, Carson, Knouse, and Roe (1997)	Service Quality		Theoretical discussion, setting up propositions	<i>Journal of Business and Psychology</i>

Monsour, Harvey, and Betty (1997)	Cross-sex relationship	73 pair cross-sex friends (students)	Laing' Interpersonal Perception Method, Pearson's correlation, & t-test to test correlation differences	<i>Sex Roles</i>
Phillips, Liu, and Costello (1998)	Supply chain relationship	37 students, after remove 29 inconsistent	Laboratory experimental design, 4 different simulated scenarios, multi-item Likert scale questionnaire, ANOVA and OLS regression	<i>Journal of Marketing Theory and Practice</i>
Davis and Leinhardt (1997)	Structure of positive interpersonal relations in small groups	30 random school & 30 random adult groups	Matrix, frequency distribution, graph theoretical model, probabilistic model, collected a data pool of sociograms & sociomatrices of 427 groups to draw out random samples. Tested & supported Homans' proposition of human groups, sociology	<i>Sociological Theories in Progress</i>
Krackhardt and Kilduff (1999)	Friendship networks, social distance, reciprocity & transitivity	4 sites, each 20-36 managers	Cognitive map, MRQAP, measured each person perceived in the network in turn, round-robin design, matrix,	Friendship networks <i>Journal of Personality and Social Psychology</i>
Carney (2000)	Regime type and interstate affectivity	News records	Analysed the news record and rate with scales of affectivity	<i>Journal of Third World Studies</i>
Hess (2000)	Distancing behaviour	185 students 158 students	Questionnaire survey, both open-ended and closed questions, chi-square and cluster analysis	<i>Human Communication Research</i>

Davis and Rusbult (2001)	Attitude alignment	40 students with dating partners 45 students with dating partners 54 students with dating partners	Experiments, questionnaires, three-factor within couple ANOVA, mean.	<i>Journal of Personality and Social Psychology</i>
Woodside and Chebat (2001)	Consumer behaviour – automatic and controlled thinking		Qualitative approach, built on Heider's theory to model automatic and controlled thinking, Story telling research paradigm to apply balance theory in consumer behaviour	<i>Psychology & Marketing</i>
Dean (2002)	Sponsoring charitable events, corporate community relation	272 students	Questionnaire distributed during class, scale, factor analysis, structural model	<i>Journal of Advertising</i>
Greenwald, Banaji, Rudman, Farnham, Nosek, and Mellott (2002)	Implicit attitude, Self-esteem, self-concept	57 students	Experiments, explicit and implicit measures of three sets of associations, Likert measure, thermometer measure, correlation, multiple regression	<i>Psychological Review</i>
Hummon and Doreian (2003)	Social balance process, group and subgroup formation	max group size was 10	Two simulation models written in Java, a multi-thread model and a discrete event simulation models	<i>Social Networks</i>
Woodside (2004)	Consumer research on means-end chain theory in beverage consumption	2 students	Interviews, means-end chain laddering techniques, linking balance theory with Fournier's consumer-brand relationship typology	<i>Psychology & Marketing</i>

Table A2-1 Chinese Brand Personality Dimensions and Scale

Competence	Excitement	Sincerity	Sophistication
<i>Success</i>	<i>Energy</i>	<i>Warmth</i>	<i>Elegance</i>
leader	energetic	warm	elegant
confident	youthful	cheerful	feminine
successful	outgoing	sincere	glamorous
<i>Determination</i>	<i>Contemporary</i>		
positive	trendy		
original	up-to-date		
determined	imaginative		

Table A2-2 Fashion Proneness Scale

It is important to me that my clothes be of the latest trend.
I like to shop for fashion.
An important part of my life and activities is dressing smartly.
I like to think I'm trendy.
I usually have one or more outfits of the very latest trends.
For my fashion needs, I am increasingly shopping at boutiques or fashion specialty stores rather than department stores.
A person should try to dress in style.
When I must choose between the two, I usually dress for fashion, not comfort.

Table A2-3 Hedonic and Utilitarian Shopping Scale

Hedonic
While shopping, I feel a sense of excitement.
I continue to shop, not because I have to but because I love to.
During shopping trips, I feel the excitement of 'the hunt'.
Compared to other things I could have done, the time spent shopping is truly enjoyable.
While shopping, I am able to forget my problems.
I enjoy shopping for its own sake, not just for the items I may have bought.
I enjoy seeing exciting new products.
Utilitarian
While shopping, I find just the item(s) I am looking for.
I usually find just what I want to buy on a shopping trip.
I will be disappointed if I have to go to another store(s) to complete my shopping trip.

Questionnaire for scale validation

This is a research project investigating consumer's perceptions of brand personality and the buying behaviour of university students. All the answers gathered are for research analysis only. Thank you for your time and contribution.

Section A In the following statements, please state your personal views, 1 being strongly disagree and 6 strongly agree. Please circle your answer. There is no right or wrong answer, all we are interested in is the number that best shows your perception.

	Strongly	Strongly	
		Disagree	agree
1. I usually have one or more outfits of the very latest trends.		1 2 3 4 5 6	
2. An important part of my life and activities is dressing smartly.		1 2 3 4 5 6	
3. I like to shop for fashion.		1 2 3 4 5 6	
4. It is important to me that my clothes be of the latest trends.		1 2 3 4 5 6	
5. A person should try to dress in style.		1 2 3 4 5 6	
6. For my fashion needs, I am increasingly shopping at boutiques or fashion specialty stores rather than department stores.		1 2 3 4 5 6	
7. When I must choose between the two, I usually dress for fashion, not comfort.		1 2 3 4 5 6	
8. While shopping, I am able to forget my problems.		1 2 3 4 5 6	
9. While shopping, I feel a sense of excitement.		1 2 3 4 5 6	
10. I enjoy shopping for its own sake, not just for the items I may have bought.		1 2 3 4 5 6	
11. During shopping trips, I feel the excitement of "the hunt".		1 2 3 4 5 6	
12. I enjoy seeing exciting new products.		1 2 3 4 5 6	
13. Compared to other things I could have done, the time spent shopping is truly enjoyable.		1 2 3 4 5 6	
14. I continue to shop not because I have to but because I love to.		1 2 3 4 5 6	
15. I usually find just what I want to buy on a shopping trip.		1 2 3 4 5 6	
16. While shopping, I find just the item(s) I am looking for.		1 2 3 4 5 6	
17. I will be disappointed if I have to go to another store(s) to complete my shopping trip.		1 2 3 4 5 6	
18. I like to think I'm trendy.		1 2 3 4 5 6	

Section B. Please select TEN familiar brands with a circle.

Bathing Ape	Agnes b	Esprit	Izzue	Motorolla	IBM	Nike
Giorgio Armani	Nokia	Adidas	Sony	Mercedes Benz	Coca Cola	

Mc Donald Sharp IKEA Ferrari Levi Strauss Tiffany Starbucks

Section C. In the following adjectives, please state the extent best describe your own personality. 1 being strongly disagree and 6 strongly agree. Please circle your answer.

	Strongly Disagree	Strongly agree		Strongly disagree	Strongly agree
1. down-to-earth	1	2 3 4 5 6	35. contemporary	1	2 3 4 5 6
2. family-oriented	1	2 3 4 5 6	36. tough	1	2 3 4 5 6
3. trendy	1	2 3 4 5 6	37. happy	1	2 3 4 5 6
4. cool	1	2 3 4 5 6	38. energetic	1	2 3 4 5 6
5. unique	1	2 3 4 5 6	39. responsible	1	2 3 4 5 6
6. reliable	1	2 3 4 5 6	40. determined	1	2 3 4 5 6
7. secure	1	2 3 4 5 6	41. mild-mannered	1	2 3 4 5 6
8. business-like	1	2 3 4 5 6	42. dependent	1	2 3 4 5 6
9. confident	1	2 3 4 5 6	43. romantic	1	2 3 4 5 6
10. glamorous	1	2 3 4 5 6	44. extravagant	1	2 3 4 5 6
11. smooth	1	2 3 4 5 6	45. considerate	1	2 3 4 5 6
12. positive	1	2 3 4 5 6	46. well-mannered	1	2 3 4 5 6
13. peaceful	1	2 3 4 5 6	47. sweet	1	2 3 4 5 6
14. youthful	1	2 3 4 5 6	48. passionate	1	2 3 4 5 6
15. intense	1	2 3 4 5 6	49. real	1	2 3 4 5 6
16. dignified	1	2 3 4 5 6	50. original	1	2 3 4 5 6
17. warm	1	2 3 4 5 6	51. out-going	1	2 3 4 5 6
18. elegant	1	2 3 4 5 6	52. daring	1	2 3 4 5 6
19. sophisticated	1	2 3 4 5 6	53. spirited	1	2 3 4 5 6
20. fun	1	2 3 4 5 6	54. imaginative	1	2 3 4 5 6
21. affectionate	1	2 3 4 5 6	55. independent	1	2 3 4 5 6
22. sincere	1	2 3 4 5 6	56. gentle	1	2 3 4 5 6
23. wholesome	1	2 3 4 5 6	57. stylish	1	2 3 4 5 6
24. cheerful	1	2 3 4 5 6	58. leader	1	2 3 4 5 6
25. sentimental	1	2 3 4 5 6	59. good-looking	1	2 3 4 5 6
26. exciting	1	2 3 4 5 6	60. feminine	1	2 3 4 5 6
27. up-to-date	1	2 3 4 5 6	61. masculine	1	2 3 4 5 6
28. hard working	1	2 3 4 5 6	62. rugged	1	2 3 4 5 6
29. intelligent	1	2 3 4 5 6	63. optimistic	1	2 3 4 5 6
30. successful	1	2 3 4 5 6	64. free	1	2 3 4 5 6
31. upper-class	1	2 3 4 5 6	65. likeable	1	2 3 4 5 6
32. charming	1	2 3 4 5 6	66. consistent	1	2 3 4 5 6
33. outdoorsy	1	2 3 4 5 6	67. persistent	1	2 3 4 5 6
34. kind	1	2 3 4 5 6	68. childlike	1	2 3 4 5 6

Consumers' perceptions of international designer labels

2003

This project is part of my PhD study. It aims to obtain your authentic opinions and attitudes towards international designer labels. Your co-operation and support are crucial to the quality of the research. Please feel free to express your opinions and make your evaluation. There are no right or wrong answers, I am only interested in your opinion. Please also note that your responses will be completely confidential.

Section A

1. a) Name three to four designer labels, as you can, on the lines provided below.
b) Using the following scale, please rate the extent to which you like / dislike each of these brands by putting the numbers of your choice in the boxes provided. (Please click on the box to select)

Strongly Dislike *1* *2* *3* *4* *5* *6* *Strongly Like*

c) For each label, please name the designer/ creative director, if you know him/ her and your preference using the scale above.

d) Please put a cross ☐ if you had bought products from this label and indicate the item(s) using the following scale in the space provided. (Please click on the box to select)

1 = clothing only; 2 = accessories only; 3 = cosmetics incl. Perfume; 4 = clothing & accessories;

5 = clothing & cosmetics; 6 = accessories & cosmetics; 7 = clothing, accessories & cosmetics.

Designers Label	Dislike / Like	Designer / Creative Director	Dislike / Like	Buy
	0		0	<input type="checkbox"/> item
	0		0	<input type="checkbox"/> item
	0		0	<input type="checkbox"/> item
	0		0	<input type="checkbox"/> item
	0		0	<input type="checkbox"/> item
	0		0	<input type="checkbox"/> item

2. Please indicate the extent of appropriateness of the following adjectives in describing your self-perceived personality in the space provided.

Not at all Descriptive *1* *2* *3* *4* *5* *6* *Extremely Descriptive*

Trendy	0	Confident	0
Sincere	0	Youthful	0
Successful	0	Warm	0
Elegant	0	Determined	0
Original	0	Energetic	0
Cheerful	0	Positive	0
Glamorous	0	Leader	0
Imaginative	0	Feminine	0
Outgoing	0	Up-to-date	0

3. Are you..? Male ☐ Female ☐
4. Your status. Single ☐ Married ☐
5. Age range: 25-30 ☐ 31-35 ☐ 36-40 ☐ 41-45 ☐ 46 & above ☐
6. Your profession: business related

(N.B. Profession has the choice of: 1 art related, 2 business related, 3 bank related, 4 engineering related, 5 medical related, 6 house wife, 7 advertising related, 8 law related, 9 education related, 10 others)

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7. Please state your personal view towards the following statements in the box provided.

<i>Strongly Disagree</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Strongly agree</i>
I usually have one or more outfits of the very latest trends.							0
An important part of my life and activities is dressing smartly.							0
I like to shop for fashion.							0
It is important to me that my clothes be of the latest trends.							0
A person should try to dress in style.							0
For my fashion needs, I am increasingly shopping at boutiques or fashion specialty stores rather than department stores.							0
When I must choose between the two, I usually dress for fashion, not comfort.							0
While shopping, I am able to forget my problems.							0
While shopping, I feel a sense of excitement.							0
I enjoy shopping for its own sake, not just for the items I may have bought.							0
During shopping trips, I feel the excitement of "the hunt".							0
I enjoy seeing exciting new products.							0
Compared to other things I could have done, the time spent shopping is truly enjoyable.							0
I continue to shop not because I have to but because I love to.							0
I usually find just what I want to buy on a shopping trip.							0
While shopping, I find just the item(s) I am looking for.							0
I will be disappointed if I have to go to another store(s) to complete my shopping trip.							0
I like to think I'm trendy.							0
I am a fashion conscious person.							0
I am a hedonic shopper.							0

Section B Favourite & buy brand

1. In the following list of international fashion designer labels:

Giorgio Armani, Emporio Armani, Yohji Yamamoto, Jean Paul Gaultier, JPG, Marc Jacobs, Marc by Marc Jacobs, Roberto Cavalli, Comme des Garcon, Prada, Miu Miu, Vivienne Westwood, Calvin Klein, Donna Karan, Dolce & Gabbana, D&G, Paul Smith, Christian Lacroix, Martin Margiela, Dries van Noten, Junya Watanabe, Anne Demeulemeester, and others.

- a) Please select 2 that are your 'favourite & buy' brands and 2 that are your 'less favourite' brands and put down the names in the space provided.

- b) Please indicate the extent to which you dislike or like these brands using the following scale:

Strongly Dislike 1 2 3 4 5 6 Strongly Like

- c) Please put a cross ☐ if you have bought products from this label and indicate the item(s) using the following scale in the space provided. (Please click on the box to select)

1 = clothing only; 2 = accessories only; 3 = cosmetics incl. Perfume; 4 = clothing & accessories;

5 = clothing & cosmetics; 6 = accessories & cosmetics; 7 = clothing, accessories & cosmetics.

- d) Please indicate the frequency with which you visit the stores of these brands using the following scale in the space provided. *1 = never; 2 = less than once per year; 3 = once per year; 4 = once per season; 4a = twice per season; 5 = once per month; 5a = twice per month; 6 = once per week*

	Designer label	Dislike / like	Buy	Visit Frequency
Favourite & buy	label	0	<input type="checkbox"/> item	0
Favourite & buy	label	0	<input type="checkbox"/> item	0
Leassfavourite	label	0	<input type="checkbox"/> item	0
Less favourite	label	0	<input type="checkbox"/> item	0

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2. a) Please select one of the 'favourite & buy' brands you mentioned in Q1, put down the name in the space provided and indicate if you have bought an item from this brand.
 b) Please indicate the extent to which you like or dislike the selected brand in the following aspects using the following scale:

<i>Strongly Dislike</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Strongly Like</i>
Designer label: label				Buy <input type="checkbox"/> item			
Aspects							Dislike/ like
Style of this brand.							0
Quality of this brand.							0
Design philosophy of this brand.							0
The designer / creative director of this brand.							0
The special character of this brand.							0
The fitting / cut of the brand.							0
Type of material used by this brand.							0
Lifestyle of this brand.							0
Collection of this brand.							0

- c) With the same 'favourite & buy' brand, please indicate the extent to which you agree or disagree with each of the following statements using the following scale:

<i>Strongly Disagree</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Strongly agree</i>
This brand shows my own personality.							0
My friends like this brand.							0
This brand is managed with the same philosophy I hold.							0
This brand suits my lifestyle.							0
I will buy items from this brand because it shows my own personality.							0
Buying items from this label gives me linkage / association with the designer.							0
This brand shows my aspired personality.							0
This brand fits my taste.							0
This brand is used by those people that I like							0
This brand projects the lifestyle that I would like to have.							0
This brand is used by members of groups or associations that I belong to							0
I like this brand, so I would like to meet the designer / creative director.							0
I like this brand, so I would like to take a photo with the designer.							0
I like this brand, so I would like to get an autograph from the designer.							0

3. Please advise your opinion on the appropriateness of the following adjectives in describing the personality of the selected 'favourite & buy' brand in Q2 using the following scale:

Not at all						Extremely		
Descriptive	1	2	3	4	5	6	Descriptive	
Leader			0				Imaginative	0
Sincere			0				Successful	0
Youthful			0				Up-to-date	0
Elegant			0				Cheerful	0
Original			0				Energetic	0
Determined			0				Positive	0
Glamorous			0				Trendy	0
Confident			0				Feminine	0
Outgoing			0				Warm	0

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Section C

1. Please state your personal view towards the following statements in the box provided.

<i>Strongly Disagree</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Strongly agree</i>
In social situations, I have the ability to alter my behavior if I feel that something else is called for.							0
I am often able to read people's true emotions correctly through their eyes.							0
I have the ability to control the way I come across to people, depending on the impression I wish to give them.							0
In conversations, I am sensitive to even the slightest change in the facial expression of the person I am conversing with.							0
My powers of intuition are quite good when it comes to understanding others' emotions and motives.							0
I can usually tell when others consider a joke to be in bad taste, even though they may laugh convincingly.							0
When I feel that the image I am portraying isn't working, I can readily change it to something that does.							0
I can usually tell when I've said something inappropriate by reading it in the listener's eyes.							0
I have trouble changing my behavior to suit different people and different situations.							0
I have found that I can adjust my behavior to meet the requirements of any situation I find myself in.							0
If someone is lying to me, I usually know it at once from that person's manner of expression.							0
Even when it might be to my advantage, I have difficulty putting up a good front.							0
Once I know what the situation calls for, it's easy for me to regulate my actions accordingly.							0

Section D Designer / creative director of your favourite & buy brand

1. a) Please indicate the extent to which you like or dislike the designer / creative director of your selected 'favourite & buy' brand in Section B Q2 in the following aspects using the scale: *Strongly Dislike* *1* *2* *3* *4* *5* *6* *Strongly Like*

Style of this designer / creative director.	0
Quality of this designer / creative director.	0
Design philosophy of this designer / creative director.	0
The brand of this designer / creative director.	0
The special character of this designer / creative director.	0
The way the designer / creative director decides fitting / cut of the product.	0
Type of material used by this designer / creative director.	0
Lifestyle of this designer / creative director.	0
The collection that he / she designed.	0

b) With the same designer / creative director, (of your favourite brand), please indicates the extent to which you agree or disagree with each of the following statements using the following scale: *Strongly Disagree* *1* *2* *3* *4* *5* *6* *Strongly agree*

I think we have similar personalities.	0
I think we share similar values and opinions.	0
I think we have similar taste	0
I think we have the same lifestyle.	0
I think the designer has my aspired personality.	0
My friends like this designer / creative director	0
He / she is able to develop items that suit my lifestyle, so I buy items from this brand.	0
We belong to the same membership group	0
People that I admire like this designer / creative director	0
I like this designer / creative director, so I buy items from his / her brand.	0
I like this designer / creative director, so I will frequently visit his / her store.	0

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I like this designer / creative director, so I like his / her brand.	0
This brand is reinforced by the designer, as the perceived personality of the designer is similar to that of the brand.	0

c) Please advise your perception of the personality of the same designer / creative director, (of your 'favourite & buy' brand) using the following scale:

<i>Not at all Descriptive</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Extremely Descriptive</i>	
He / she is successful..			0				He / she is determined.	0
He / she is imaginative.			0				He / she is a leader.	0
He / she is sincere.			0				He / she is confident.	0
He / she is cheerful.			0				He / she is original.	0
He / she is glamorous.			0				He / she is feminine.	0
He / she is energetic.			0				He / she is youthful.	0
He / she is trendy.			0				He / she is elegant.	0
He / she is positive.			0				He / she is out-going.	0
He / she is warm.			0				He / she is up-to-date.	0

2. Please indicate your perception on the extent of relationships between the brand and the designer / creative director, (of your favourite brand), in the following aspects using the scale:

<i>Strongly Unrelated</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Strongly Related</i>
Style							0
Quality							0
Design philosophy							0
The special character							0
Fitting / cut of the product							0
Type of material used							0
Lifestyle							0
Collection							0

F. What if?

1. a) Please indicate the level of impact on your perception if your favourite designer / creative director did the following.

<i>No impact</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Extremely high impact</i>
							Level of impact
Lost his / her own character / style / identity							0
Has expanded the business too loosely							0
Cannot maintain previous level of standard							0

- b) Please indicate the extent to which you like or dislike your previous favourite designer now based on the overall impact he / she created by committing the above cases in the following aspects using the scale:

<i>Strongly Dislike</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Strongly Like</i>
The designer / creative director							0
Style of this designer / creative director.							0
The brand of this designer / creative director.							0
The collection that he / she designed.							0
Design philosophy of this designer / creative director.							0
Lifestyle of this designer / creative director.							0
The special character of this designer / creative director.							0
The way the designer / creative director decide fitting / cut of the product.							0
Type of material used by this designer / creative director.							0
Quality of this designer / creative director.							0

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c) Please indicate the extent to which you like or dislike the selected brand now:

<i>Strongly Dislike</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Strongly Like</i>
Style of this brand.							0
Quality of this brand.							0
Design philosophy of this brand.							0
The designer / creative director of this brand.							0
The special character of this brand.							0
The fitting / cut of the brand.							0
Type of material used by this brand.							0
Lifestyle of this brand.							0
Collection of this brand.							0

d) Please indicate your perception of the extent of relationships between the brand and the designer / creative director, (of your favourite brand), in the following aspects using the scale: *Strongly Unrelated* *1* *2* *3* *4* *5* *6* *Strongly Related*

Style	0
Quality	0
Design philosophy	0
The special character	0
Fitting / cut of the product	0
Type of material used	0
Lifestyle	0
Collection	0

e) Please indicate the level of impact on your perception if your favourite designer / creative director did the following.

<i>No impact</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Extremely high impact</i>
							Level of impact
Committed something not ethical							0

f) Please indicate the extent to which you would like or dislike your previous favourite designer based on the overall impact that he / she had created by committing the above case in the following aspects using the scale:

<i>Strongly Dislike</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Strongly Like</i>
The designer / creative director							0
Style of this designer / creative director.							0
The brand of this designer / creative director.							0
The collection that he / she designed.							0
Design philosophy of this designer / creative director.							0
Lifestyle of this designer / creative director.							0
The special character of this designer / creative director.							0
The way the designer / creative director decides fitting / cut of the product.							0
Type of material used by this designer / creative director.							0
Quality of this designer / creative director.							0

g) Please indicates the extent to which you like or dislike the selected brand now:

<i>Strongly Dislike</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Strongly Like</i>
Style of this brand.							0
Quality of this brand.							0
Design philosophy of this brand.							0
The special character of this brand.							0
The fitting / cut of the brand.							0
Type of material used by this brand.							0
Lifestyle of this brand.							0
Collection of this brand.							0

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h) Please indicate your perception of the extent of relationships between the brand and the designer / creative director (of your favourite brand) in the following aspects using the scale:

<i>Strongly Unrelated</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Strongly Related</i>
Style							0
Quality							0
Design philosophy							0
The special character							0
Fitting / cut of the product							0
Type of material used							0
Lifestyle							0
Collection							0

i) Is there any comment you would like to add?

F. Unfavourite / less favourite brand

1. a) Please select one of the **less favourite brands** you mentioned in Q1, put down the name in the space provided and indicate if you have bought an item from this brand.

b) Please indicate the extent to which you like or dislike the selected brand in the following aspects. *Strongly Dislike* *1* *2* *3* *4* *5* *6* *Strongly Like*

Designer label: label	Buy <input type="checkbox"/> item
Style of this brand.	0
Quality of this brand.	0
Design philosophy of this brand.	0
The designer / creative director of this brand.	0
The special character of this brand.	0
The fitting / cut of the brand.	0
Type of material used by this brand.	0
Lifestyle of this brand.	0
Collection of this brand.	0

c) With the same **less favourite brand**, please indicate the extent to which you agree or disagree with each of the following statements using the following scale:

<i>Strongly Disagree</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Strongly agree</i>
This brand shows my own personality.							0
My friends like this brand.							0
This brand is managed with the same philosophy I hold.							0
This brand suits my lifestyle.							0
I will buy items from this brand because it shows my own personality.							0
Buying items from this label gives me linkage / association with the designer.							0
This brand shows my aspired personality.							0
This brand fits my taste.							0
This brand is used by those people that I like							0
This brand projects the lifestyle that I would like to have.							0
This brand is used by members of groups or associations that I belong to							0
I like this brand, so I would like to meet the designer / creative director.							0
I like this brand, so I would like to take a photo with the designer.							0
I like this brand, so I would like to get an autograph from the designer.							0

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2. a) Please indicate the extent to which you like or dislike the **designer / creative director of your selected less favourite brand** in Section B Q2 in the following aspects using the scale:

<i>Strongly Dislike</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Strongly Like</i>
Style of this designer / creative director.							0
Quality of this designer / creative director.							0
Design philosophy of this designer / creative director.							0
The brand of this designer / creative director.							0
The special character of this designer / creative director.							0
The way the designer / creative director decide fitting / cut of the product.							0
Type of material used by this designer / creative director.							0
Lifestyle of this designer / creative director.							0
The collection that he / she designed.							0

- b) With the same **designer / creative director, (of your unfavourite / less favourite brand)**, please indicate the extent to which you agree or disagree with each of the following statements using the following scale:

<i>Strongly Disagree</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Strongly agree</i>
I think we have similar personality.							0
I think we share similar values and opinions.							0
I think we have similar taste							0
I think we have the same lifestyle.							0
I think the designer has my aspired personality.							0
My friends like this designer / creative director							0
He / she is able to develop items that suit my lifestyle, so I buy items from this brand.							0
We belong to the same membership group							0
People that I admire like this designer / creative director							0
I like this designer / creative director, so I buy items from his / her brand.							0
I like this designer / creative director, so I will frequently visit his / her store.							0
I like this designer / creative director, so I like his / her brand.							0
This brand is reinforced by the designer, as the perceived personality of the designer is similar to that of the brand.							0

3. Please indicate your perception of the extent of relationships between the brand and the designer / creative director (of your less favourite brand) in the following aspects using the scale:

<i>Strongly Unrelated</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Strongly Related</i>
Style							0
Quality							0
Design philosophy							0
The special character							0
Fitting / cut of the product							0
Type of material used							0
Lifestyle							0
The collection							0

H. What if?

1. What will be your reaction if your original less favourite designer / creative director has created a very special collection? Please indicate the extent to which you like or dislike this designer / creative director now in the following aspects using the scale:

<i>Strongly Dislike</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Strongly Like</i>
Style of this designer / creative director.							0
The brand of this designer / creative director.							0
The collection that he / she designed.							0
Design philosophy of this designer / creative director.							0
Lifestyle of this designer / creative director.							0
The special character of this designer / creative director.							0
The way the designer / creative director decides fitting / cut of the product.							0
Type of material used by this designer / creative director.							0
Quality of this designer / creative director.							0

- b) Please indicate the extent to which you like or dislike the selected brand now:

<i>Strongly Dislike</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Strongly Like</i>
Style of this brand.							0
Quality of this brand.							0
Design philosophy of this brand.							0
The special character of this brand.							0
The fitting / cut of the brand.							0
Type of material used by this brand.							0
Lifestyle of this brand.							0
Collection of this brand.							0

- c) Please indicate your perception of the extent of relationships between the brand and the designer / creative director (of your favourite brand) in the following aspects using the scale:

<i>Strongly Unrelated</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Strongly Related</i>
Style							0
Quality							0
Design philosophy							0
The special character							0
Fitting / cut of the product							0
Type of material used							0
Lifestyle							0
Collection							0

- d) Is there any comment you would like to add?

--

Thank you for your time and cooperation. Your contribution to this study is greatly appreciated.

If you would like to be sent a report on the study's main findings, please write your name, phone number & e-mail address in the space provided.

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